



Daily Report

East Asia

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Hun Sen's 26 August News Conference Reported

BK3108051589 Phnom Penh SPK in English 0434 GMT
31 Aug 89

[Text] Phnom Penh SPK August 31—Hun Sen, chairman of the Cambodian Council of Ministers, has said that the State of Cambodia prepared to welcome an international control mechanism (ICM) to be sent to Cambodia for supervising the total withdrawal of Vietnamese volunteer troops and the cessation of foreign military aid to the Khmer opposing factions, reports an SPK correspondent from the French capital.

At a press briefing in Paris on August 26, Hun Sen said: "That move is aimed at breaking through the deadlock in the search for a political solution to the Cambodian conflict and removing all false pretexts for fomenting a civil war in Cambodia. However, the international control mechanism should not be placed under the auspices of the United Nations because it is set up by the Paris international conference not by the United Nations".

The ICM's membership, Chairman Hun Sen went on, should rise to 600, tenfold over the 1954 figure, and it is much higher than the number suggested by the fact-finding mission which has toured Cambodia recently. [sentence as received] While in Phnom Penh, Gen. Martin Vadset, head of the mission, said that the ICM would respect Cambodia's independence, Chairman Hun Sen noted.

Asked about the work of monitoring the number of Vietnamese residents in Cambodia, Hun Sen said: "The question on the so-called Vietnamese settlers in Cambodia has been used as a pretext to obstruct the settlement of the Cambodian conflict. It is now attempted to be turned into a counterweight to the problem of the Pol Pot genocide. The Pol Pot clique has massacred more than three million Cambodians during its reign. Now under the pretext of more than one million Vietnamese living in Cambodia, the genocidal junta is plotting to murder millions more of Cambodians again. Statistics have shown that at present there are only 80,000 Vietnamese residents as against 90,000 Chinese residents in our country. In Phnom Penh city alone, there are 62,000 Chinese and 19,000 Vietnamese. If Vietnamese residents in Cambodia are to be repatriated, what about Chinese residents and other foreign civilians in our country? Therefore, careful investigation should be made into any suspicion".

The complete pull-out of Vietnamese volunteer troops from Cambodia will be carried out as planned whether the Paris international conference is crowned with success or not. If the ICM cannot be set up, we will invite foreign journalists and observers [to] come to Cambodia to observe the Vietnamese pullout.

Chairman Hun Sen said he espoused Thai Prime Minister Chatchai Chunhawan's proposal for a cease-fire in Cambodia. "However," he said, "such a proposal has been rejected by the Khmer opposition coalition".

Hun Sen said that the State of Cambodia has studied the possibility of unilateral cease-fire so as to avert the outbreak of a civil war in Cambodia after the complete pullout of Vietnamese troops.

With regard to the coming session of the international conference on Cambodia, Chairman Hun Sen affirmed that if the Khmer opposition coalition continues to hinder the advance of the conference, the conference should be adjourned rather than closed without any result. The next session of the conference can be convened either in Paris or in Jakarta. This will be decided by its co-chairmen.

Khieu Samphan Addresses Paris Session 28 August

BK3108023389 (Clandestine) Voice of Democratic
Kampuchea in Cambodian 2330 GMT 30 Aug 89

[Address by His Excellency Khieu Samphan, head of the Democratic Kampuchea delegation and vice president of Democratic Kampuchea in charge of foreign affairs, at the second ministerial session of the Paris International Conference on Cambodia held on 28 August"—read by announcer]

[Text] Before getting into my statement, I would like to emphasize that the address made just now by Samdech Norodom Sihanouk is aimed at enabling the participants in this conference to clearly understand all the complex aspects of the Cambodian problem. The samdech's patriotic address is a significant contribution to the work of our conference.

As for the vulgar words uttered here just now against the person of Samdech Norodom Sihanouk, they only enraged all the Cambodian patriots and all peace- and justice-loving countries. Such words clearly showed how much the person who uttered them has lost his national soul and to what extent he is under the command of the aggressors. This also clearly attests to the reason he opposes all of Samdech Norodom Sihanouk's correct and just proposals for peace.

Now, on behalf of the party of Democratic Kampuchea, members of the Cambodian national resistance movement headed by Samdech Norodom Sihanouk, and members of the Coalition Government of Democratic Kampuchea with Samdech Norodom Sihanouk as president of Democratic Kampuchea, I would like once again to emphasize our stance in seeking a comprehensive, just, and lasting solution to the Cambodian problem as follows:

1. We would like to reiterate our support for the five-point peace plan of Samdech Norodom Sihanouk, head of the Cambodian nation, which is accepted by all. This plan constitutes a comprehensive, just, and lasting solution. His Excellency Son Sann has just reiterated his party's support.
2. We propose that Vietnam withdraw from Cambodia all its forces of all categories—the soldiers in uniform

and the disguised or planted troops and all the Vietnamese immigrants—under the supervision of a UN international organization and a large number of the UN peacekeeping forces. Without the UN supervision under this comprehensive solution, the so-called Vietnamese troop withdrawal cannot be regarded as real.

3. Following the withdrawal of all categories of Vietnamese troops from Cambodia, we propose either the disarmament of all the troops of the four Cambodian parties or the reduction of the number of troops of the four parties to an equal number within the framework of a quadripartite provisional army, with Samdech Norodom Sihanouk as the supreme commander.

4. We support the proposals dated 4 and 16 August of Samdech Norodom Sihanouk, head of the Cambodian national resistance forces and president of Democratic Kampuchea, which reiterated the resolution on realizing a genuine national reconciliation among all Cambodian nationals—regardless of their political tendencies and past—within the framework of a quadripartite provisional government, a quadripartite provisional administration, and a quadripartite provisional army.

This quadripartite proposal by Samdech Norodom Sihanouk is not a question of dividing power, but is an essential factor for maintaining peace, security, and stability in Cambodia, thus enabling the Cambodian people to exercise their sacred right to self-determination through a free and democratic general election, without bias, under the UN supervision.

For this reason, if the Vietnamese-installed regime is the only one responsible for making preparations for this important election, it will certainly conceal the hundreds of thousands of Vietnamese emigrants who have already been given Cambodian nationality, and it will certainly not give the ballots to the real Cambodian nationals, particularly those who have joined in the struggle with the Cambodian national resistance forces. It will certainly exert all kinds of pressure and coercion on the voters to prevent them from voting for the three parties of the Cambodian national resistance forces and force them to vote for its own group.

In such a case, there will be no comprehensive, just, and lasting solution to the so-called Cambodian problem.

5. We will respect all the results of this UN-sponsored election.

6. We propose that the international community and particularly the United Nations and the UN Security Council guarantee the permanent independence and neutrality of Cambodia, a factor for peace and stability in Southeast Asia.

7. The overwhelming majority of countries attending this conference have adopted a just stance by supporting the five-point peace plan of Samdech Norodom Sihanouk, head of the Cambodian national resistance forces; the modalities for the implementation of this five-point

peace plan; and his generous proposals that have been reiterated here with an aim to reach a genuine national reconciliation in Cambodia.

We deeply thank these countries for their noble support. We highly appraise all the peace- and justice-loving countries that, during this conference, have voiced their full support for the correct proposal made by the Cambodian national resistance forces for the total withdrawal of Vietnamese immigrants who have illegally settled in Cambodia since 1979 within the framework of a comprehensive settlement of the Cambodian problem.

Through their unity, these countries have clearly displayed their understanding of the bad consequences of this key problem concerning the future and survival of the Cambodian people.

Sihanouk Says Cambodian Fighting Not Civil War

*OW3008162989 Beijing XINHUA in English
1531 GMT 30 Aug 89*

["Sihanouk: Cambodian War Is Not Civil War (by Mao Ruiqing)"]—XINHUA headline]

[Text] Paris, August 30 (XINHUA)—Samdech Norodom Sihanouk, president of Democratic Kampuchea, said today that the war in Cambodia remains one between resistance forces and the Vietnamese invaders rather than a civil war.

The Democratic Kampuchean leader also said that the Vietnamese - supported Phnom Penh regime should be dismantled before any international supervision of a peace settlement in Cambodia is attempted.

"There is no civil war in Cambodia, for the Cambodian war is only, at present or in the future, a war between the Cambodian national resistance forces and the Vietnamese colonialists," Sihanouk said in a statement issued today before the end of the Paris International Conference on Cambodia.

He also said that the resistance will never agree with the dispatch of such international "teams" as an international control mechanism or other bodies to Cambodia before the Phnom Penh regime is dismantled and a quadripartite provisional government is established.

He said he hoped that the International Conference on Cambodia will resume its work to seek a just, protracted and comprehensive solution to the Cambodian problem. The solution, he said, is "a great happiness for the Cambodian people and Southeast Asia as a whole."

Sihanouk said that only his five-point peace proposal, which was put forward by him last November in Paris, can solve the Cambodian problem and bring Cambodia peace, stability, independence and democracy.

Nguyen Co Thach's Views on Talks Reported

BK3108021889 *Hanoi Domestic Service in Vietnamese*
2300 GMT 30 Aug 89

[Text] In Paris on 28 August, the head of the Vietnamese delegation [Foreign Minister Nguyen Co Thach] held a separate meeting with French Foreign Minister Roland Dumas and Indonesian Foreign Minister Ali Alatas, cochairmen of the conference.

Foreign Minister Nguyen Co Thach affirmed that the Vietnamese delegation will closely cooperate, in a constructive spirit, with the two cochairmen and countries participating in the conference to help the conference further advance toward reaching a comprehensive political solution to the Cambodian issue.

Meanwhile, at the Vietnamese Embassy in Paris during the past several days, Foreign Minister Nguyen Co Thach received Philippine Foreign Minister R. Manglapus, Indian Minister of State N. Singh, Soviet Deputy Foreign Minister I. Rogachev, and Richard Solomon, U.S. assistant secretary of state and acting head of the U.S. delegation.

In the abovesaid meetings, appraising the pros and cons of the conference, Foreign Minister Nguyen Co Thach said: The Vietnamese delegation holds that we have reached a mutual understanding on the following seven points: —The conference agreed that it is necessary to have a comprehensive political solution to resolve the Cambodian issue.

- To withdraw all foreign troops from Cambodian and stop foreign military aid to all Cambodian factions and all outside interferences in Cambodia.
- To implement a cease-fire, prevent a civil war, and repatriate refugees.
- To establish a Cambodian nation with independence, peace, neutrality, and nonalignment, and one that befriends all countries.
- Cambodian internal affairs must be resolved by the Cambodian factions themselves without foreign intervention. The political system and organs of power in Cambodia will be determined by the Cambodian people through free, general elections organized with international supervision; all countries must respect results of these elections in Cambodia.
- To provide an international guarantee for the independence and neutrality of Cambodia and an effective international control system to monitor the implementation of the agreements reached.
- International assistance is necessary to help the Cambodian people rebuild their country.

These are very basic points for a comprehensive political solution to the Cambodian issue.

In addition, we still have four major differences yet to be resolved:

- Regarding the attitude toward the Pol Pot genocidal clique: Many delegates demanded the elimination of

this clique from all activities in Cambodia; others wanted to legalize the clique and give them military and political power.

- In resolving the military and political situation in Cambodia for a very short transition period—from the total withdrawal of Vietnamese troops to the general elections — many delegates held that a temporary maintenance of the two opposition parties is needed, namely the Cambodian State and Democratic Kampuchean government; and that the Cambodian people will determine their own political system by electing a new administration through general elections with international supervision. Many other delegates demanded an abolition of all organizations and the immediate establishment of a new organ of power comprising the four Cambodian factions before the general elections.
- The United Nations' role in an international control mechanism.
- The question of Vietnamese and other foreign residents in Cambodia—this was yet another issue not included in the conference agenda but raised by some of the delegates.

Minister Nguyen Co Thach stressed: Of the four remaining differences, the attitude toward the genocidal regime is the most important issue. Some delegations said that there is not enough evidence to charge the Pol Pot clique with the crime of genocide. They wanted to legalize the Pol Potists and give them a role in the government even before the holding of general elections, and allow them to maintain their political and armed forces. This obviously does not in any way serve the interests of the Cambodian people, but is intended to shield the genocidal clique, legalize them, and allow them to start a civil war and reinstate a genocidal regime in Cambodia. This is actually the major obstacle obstructing the conference.

The great challenge of the conference lies in its attitude toward the genocidal regime. Our conference has to face an enormous responsibility toward millions of Cambodians who have lost their lives, the future of the people of Cambodia where rebirth is taking its course, and mankind's civilization. If we recognize and legalize the Pol Potists instead of condemning them, the Cambodian people and mankind will face unpredictable consequences. Also, this action would be an insult to the Declaration of Human Rights which France has just commemorated in its bicentenary.

The Vietnamese delegation believes that it is imperative to condemn and punish the genocidal culprits and prevent them from having any influence on Cambodia's social life. A solution to this key issue will lead to the settlement of all other remaining problems.

Foreign Minister Nguyen Co Thach continues: The Vietnamese delegation fully supports the proposal of the State of Cambodia concerning the maintenance of both governments—the government of the State of Cambodia and the government of Democratic Cambodia—during

the transitional period and the establishment of a supreme council to make preparations for general elections. The council will have the full right to organize general elections and the two opposition governments will not be allowed to interfere in the council's work. Nobody may change in just a few months the status quo that has existed for more than 10 years. Only the Cambodian people have the right to decide on this issue through free elections under international supervision. This arrangement is completely consistent with the principle of respecting the Cambodian people's right to self-determination.

Concerning the prospects and future development of the conference, Foreign Minister Nguyen Co Thach points out: The Vietnamese delegation, like most other delegations, wants the conference to arrive at a positive overall political solution to the Cambodian issue. Nevertheless, many difficulties exist. The conference is facing these three options: either achieve an overall solution, break down, or register what has been agreed upon and continue to negotiate the remaining differences. The committees may go ahead with their work, and when conditions permit, the conference may reconvene. In the meantime, the conference should call on the Cambodian parties to continue their peaceful negotiations on how to set up an interim mechanism during the transitional period. In the process of their negotiations, the Cambodian parties should observe a cease-fire and stop all armed activities. While the Vietnamese forces are withdrawing from Cambodia, the foreign countries concerned must stop their military aid to all Cambodian parties and refrain from fomenting a civil war in Cambodia and meddling in the internal affairs of this country.

Cites Conditions for Cambodia Solution

*BK3108105589 Hanoi International Service in English
1000 GMT 31 Aug 89*

[Text] Vice Chairman of the Council of Ministers and Foreign Minister Nguyen Co Thach on Wednesday [30 August] granted an interview to the VIETNAM NEWS AGENCY [VNA] on the current international Paris conference on Cambodia. Here are excerpts from his interview:

Minister Nguyen Co Thach said: The conference shared the same view on the seven points to solve the Cambodian issue. This means that the conference reached the conclusion that it is necessary to solve the issue within an overall political solution with the complete withdrawal of foreign armed forces from Cambodia and with an end to all foreign aid to all Cambodian groups.

Mr Thach stressed that the most basic requirements for an overall political solution to the Cambodian issue are the following:

1. An independent, peaceful, neutral, and nonaligned State of Cambodia which pursues friendly relations with all nations;

2. The settlement of Cambodian internal affairs by the Cambodian people;

3. International insurance for Cambodia's independence and neutrality; and

4. Effective international supervision of the implementation of all commitments for international assistance for the reconstruction of Cambodia.

Mr Thach said: At the conference, there were differences in attitude toward the Pol Pot clique and in solving the current political and military situation in Cambodia, and the role of the UN in an international control mechanism.

Speaking about the results of the conference, Mr Thach said: The conference had reached an identical view on basic points, laying a foundation for an overall solution to the Cambodian issue. These results were great though the conference had not yet agreed on an overall solution.

On the main obstacles to the conference, Mr Thach said that according to three Cambodian opposition factions, several ASEAN countries, a number of Western countries, and China, the conference had been obstructed by the two key problems for an overall solution to the Cambodia issue, including the withdrawal of Vietnamese troops from Cambodia and the establishment of the four-party coalition government headed by Prince Sihanouk and an abandonment of the status quo in Cambodia.

Mr Thach affirmed that Vietnam would not accept any agreement which allows the Pol Pot clique to have a role and political and military forces in Cambodia.

Asked what would happen in Cambodia after the complete Vietnamese troop pullout this September when there is not yet a political solution to the Cambodian issue, Foreign Minister Nguyen Co Thach said: In fact, there is no political solution to the Cambodian issue, but China and other countries concerned are committed to stop their aid to all Cambodian groups when Vietnam withdraws its Army volunteers. This will create conditions for ending the war and restoring peace in Cambodia while contributing to an overall political solution to the Cambodia issue.

Mr Thach continued: It is necessary to prepare for the worst. After Vietnam's troop pullout, China and other countries might end their commitment by continuing to give military aid to the Pol Pot clique, enabling it to wage a civil war and to reimpose a genocidal regime in Cambodia. Mr Thach said: This would be an act running counter to the Cambodian people's interests and at the same time, a challenge to the world.

Mr Thach also said that the Cambodian people are capable of coping with worse situation and the State of Cambodia has the right to call on the world community for help. He rejected the distortion of several newspapers saying that Vietnam will send its Army back to Cambodia and termed this a sheer fabrication.

In answer to question on the future of the struggle on Cambodia, Mr Thach said: After the complete withdrawal of Vietnamese troops from Cambodia by September this year, the struggle on Cambodia issue will basically change its content. As to whether the Cambodian people were capable of eliminating forever the genocidal clique or not, he asked, can the world opinion allow several countries to continue their aid to the Pol Pot clique and cause a civil war? Can Prince Sihanouk continue to ally himself with the Pol Pot clique against the Cambodian people, or not? The answer to this question is a prediction on the future of the struggle of the Cambodian issue. The victories in the past 10 years of this struggle allow us to be optimistic.

International Conference on Cambodia Closes

Dispute Delays Closing

LD3008142789 Paris Domestic Service in French
1400 GMT 30 Aug 89

[Text] There is a dispute at the Paris conference on Cambodia. The closure, in fact, has been postponed due to draft amendments over the issue of the nature of the Cambodian conflict, an anti-Vietnamese resistance struggle for one side, civil war for the other. The dispute concerns a passage in the final declaration in which the participants appeal to the Cambodian parties to reach national reconciliation.

Debate Over Statement Wording

OW3008161689 Tokyo KYODO in English 1507 GMT
30 Aug 89

[Text] Paris, Aug. 30 KYODO—The end of Kampuchean peace conference was delayed Wednesday over wording of a statement which had been prepared to conclude the three days of discussions.

A draft agreement had called for a comprehensive political settlement of the 11-year-old conflict in Kampuchea, urging all parties concerned to build up efforts to end the problem through negotiations.

It also suggested that the conference be reconvened at an "appropriate" time because it is still too early to work out an overall solution to the problem.

A plenary session was initially set for 11:30 a.m. (6:30 p.m. Japan time) to adopt the statement which was worked out by France and Indonesia, cochairmen of the 19-country international conference on the Kampuchean problem.

Conference sources said, however, that some delegates insisted that Vietnam's invasion of Kampuchea in 1979 should be mentioned in the statement.

Subsequent arguments over the issue at a working level meeting delayed the opening of a plenary session, according to the sources.

The plenary session opened at 4 p.m. (11 p.m. Japan time) and some conference sources said it may last several hours.

It had been expected to be a brief meeting convened only to adopt the statement.

Conference Agrees on Final Statement

AU3008162789 Paris AFP in English 1621 GMT
30 Aug 89

[Text] Paris, Aug 30 (AFP)—Delegates at an international conference on Cambodia Wednesday agreed [on] the text of a final statement acknowledging their failure to find a comprehensive solution, sources close to the conference said.

The conference was due to reconvene in plenary session at about 6:30 p.m. (1630 GMT) to formally adopt the statement and close the meeting, the sources added.

A French spokesman said Tuesday that the month-long conference had failed to agree [on] a comprehensive settlement for Cambodia.

But Wednesday's closing session was delayed by some seven hours due to problems with the wording of a final statement acknowledging the failure to reach a global solution and outlining future steps to end 20 years of war and internal conflict in Cambodia.

'Text' of Final Statement

AU3008185889 Paris AFP in English 1847 GMT
30 Aug 89

[Text] Paris, Aug 30 (AFP)—The full text of a final statement adopted by ministers and delegates from almost 20 countries when they suspended a month-long conference on Cambodia here Wednesday after failing to agree on a comprehensive settlement:

"At the invitation of the Government of France and under the co-chairmanship of His Excellency Roland Dumas, foreign minister of France, and His Excellency Ali Alatas, foreign minister of Indonesia, the International Conference on Cambodia met in Paris from July 30 to August 30 1989.

"Participating in the conference were the representatives of Australia, Brunei-Darussalam, Cambodia, Canada, China, France, India, Indonesia, Japan, the Lao People's Democratic Republic, Malaysia, the Philippines, Singapore, Thailand, the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, Vietnam and Zimbabwe in its capacity as current chairman of the Nonaligned Movement.

"Cambodia was represented by the four Cambodian parties.

"The Secretary General of the United Nations and his representatives also participated in the conference.

"The conference, mindful of the previous efforts made at the Jakarta informal meetings and elsewhere, achieved progress in elaborating a wide variety of elements necessary for the reaching of a comprehensive settlement to the tragic conflict in Cambodia.

"The conference noted however that it is not yet possible to achieve a comprehensive settlement. It was therefore decided to suspend the conference.

"The conference urges all parties concerned to intensify their efforts to achieve a comprehensive settlement.

"To facilitate these efforts, the co-presidents of the conference shall lend their good offices as required to participating parties and countries who can facilitate a comprehensive settlement, including the reconvening of the committees as appropriate.

"The co-presidents will begin consultations within six months with the participants in the conference with a view to reconvening the conference.

"The French Government expressed its readiness to make the appropriate arrangements to reconvene the conference in due time in Paris.

"The Indonesian co-president and all the participants expressed their sincere appreciation and deep gratitude to the government and people of France for hosting this important conference and the excellent arrangements made, as well as for their generous hospitality extended to all delegations."

No Settlement Reached

BK3108020389 Bangkok *THE NATION* in English
31 Aug 89 pp 1-2

[By Kawi Chongkitthawon]

[Text] Delegates to the international conference on Cambodia suspended their month-long attempts to find a peaceful solution to the Cambodian conflict after unanimously agreeing to resume talks but with no specific timeframe.

A brief statement issued at the end of the conference said France and Indonesia will begin consultations within six months whether to reconvene the talks.

The six-paragraph statement, which took note of the participation of UN Secretary General Javier Perez de Cuellar, said the conference has achieved progress in "elaborating a wide variety of elements" necessary for a comprehensive settlement of the conflict.

"It is not yet possible to achieve a comprehensive settlement," said the statement.

The statement said the conference urged all parties concerned to intensify their efforts to achieve a comprehensive settlement.

Delegates from China, Canada, the United States, Japan, Singapore, Britain and Thailand introduced amendments during the debate on the original statement which one diplomat said was too long.

A diplomat of one of the countries participating in the conference said the Indochinese countries tried unsuccessfully to include in the statement details of various regional efforts in ending the Cambodian problem.

The statement, which observers see only as confirming the failure of the talks, was endorsed by the closing session of the conference last night.

Among the key points that the four warring Cambodian factions failed to agree on was how to share power in an interim government and the composition of the international control commission to monitor the Vietnamese troop withdrawal and cease-fire. They also wrangled over the presence of Vietnamese settlers in Cambodia and the use of the term "genocide" in describing the past policy of the Khmer Rouge.

The month-long conference, which began on July 30, brought in participants from 19 countries including the five members of the United Nations Security Council.

The statement also said that both France and Indonesia will provide assistance to the Cambodian factions on their future meetings. The two co-chairmen also agreed to continue consultations with countries concerned.

Both France and Indonesia will discuss with the participants when to resume the conference. According to a French spokesman, the conference will reconvene some time in the first half of next year.

But several delegates interviewed said when the conference will resume depends on the battlefield situation. Most delegates believe there will be a "contest of strength" between the Phnom Penh and resistance forces for at least six months to a year before they would want to sit down and negotiate again.

The statement did not echo ASEAN's position that the conference should be adjourned because both Vietnam and Cambodia are not ready for a comprehensive settlement.

ASEAN delegates said that without any agreement on the establishment of a four-party interim government, other problems such as the formation of an international control mechanism and implementation of a cease-fire would be impossible to resolve.

Delegates from Australia and India tried to suggest an alternative to the current deadlock but their suggestions were not considered in the conference.

On Monday, Australian Foreign Minister Gareth Evans suggested that the ministers should concentrate on the issue of an international control body before moving on to other issues.

India suggested that common ground which was agreed upon by the three committees should be documented and issued as a document to be used in a future debate.

ASEAN and other supporters of Prince Norodom Sihanouk rejected such ideas, which they said would separate the external aspects of the conflict from the internal aspects.

ASEAN has been firm on its stand that if there is no comprehensive settlement, it is better not to have a solution at all. ASEAN blamed Vietnam and Cambodia for trying to obtain a partial settlement from this conference.

Foreign Minister Sitthi Sawetsila in an earlier interview said that Vietnam had fixed its position before coming to the conference with an intention of seeking a partial settlement.

Dumas Comments on Suspension

AU3008184289 Paris AFP in English 1829 GMT
30 Aug 89

[Excerpt] Paris, Aug 30 (AFP)—An international conference on Cambodia was suspended here Wednesday after a month of talks failed to reach agreement on a comprehensive solution.

French Foreign Minister Roland Dumas stressed however that the conference was not over although it had not achieved its aim.

"This does not mean that the conference is over. It will continue until it attains the objective it set itself," Mr. Dumas, who co-chaired the conference, told journalists after delegates adopted a final statement acknowledging the failure to reach a global settlement and declaring the conference suspended.

He said that five major obstacles to an agreement still remained, and the almost 20 countries involved in the conference had agreed it was "preferable to wait until conditions are such that we can hope for a real compromise, which is not yet the case."

There was "still some way to go on the road towards reconciliation in Cambodia," he said noting that the conference had failed to reach agreement on the establishment of a provisional government and four-party authority led by Prince Norodom Sihanouk "who appears to all as the symbol of national unity."

But Mr. Dumas, accompanied by conference co-chairman Indonesian Foreign Minister Ali Alatas, said that the work achieved by the conference represented "a considerable accomplishment."

He cited the fact that it had managed to get all four Cambodian factions to agree to sit at the same table as representing Cambodia, even if they had exchanged strong words at times.

But on the fundamental problems "major divergences still separate the participants," Mr. Dumas said.

He cited the question of a ceasefire, the role of the United Nations in monitoring a settlement, whether there should be reference in an accord to a return to "genocide" committed by the Khmer Rouge, Vietnamese settlers and "above all" national reconciliation. [passage omitted]

PRC's Liu Shuqing Comments

OW3108090289 Beijing XINHUA in English
0744 GMT 31 Aug 89

[Text] Paris, August 30 (XINHUA)—Chinese Vice Foreign Minister Liu Shuqing said this evening that the International Conference on Cambodia "achieved no success" but "was not a failure."

At a press conference here after the conference closed, Liu said "We can't say it failed because most countries hope that the Cambodian issue will be completely solved."

The vice foreign minister explained that "the Paris conference had two basic goals: first, to establish an effective international control mechanism under the auspices of the United Nations, supervising the real and complete withdrawal of the Vietnamese troops; second, to set up a quadripartite transitional government headed by Samdech Norodom Sihanouk after the Vietnamese withdrawal, guaranteeing peace and avoiding internal wars in Kampuchea."

"The co-presidents of the conference will begin consultations within six months with the participants with a view to reconvening it, so I hope the press won't say it was a failure," Liu added.

Referring to the announced Vietnamese withdrawal, Liu said, "We don't believe in the troops' real and complete withdrawal because Vietnam showed no sincerity at the conference. Without sincerity and effective supervision, the withdrawal is unbelievable."

Even if there is a control mechanism under the auspices of the United Nations, it won't solve the problem because Vietnam has no sincere desire to withdraw.... There are many Vietnamese troops hiding in Heng Samrin's armies and militia, Liu said.

On China's attitude to the Cambodian resistance, Liu stated that "China treats the three parties of the Cambodian resistance forces equally, without discrimination, because they are friends of ours. China supports Samdech Norodom Sihanouk as the leader of the three parties. In military affairs, we will offer them assistance in accordance with their needs."

On the question of a quadripartite interim government, the Chinese vice foreign minister stressed that we have two principles. First, that the members of the interim government come from all four parties. Second, the government must be headed by Sihanouk because only

he can unite the other three parties. No other member of the four parties has the capability, prestige and influence to unite them.

"Only if Sihanouk takes the leadership can Cambodia's independence and neutrality be achieved and can the country have peace," Liu stated.

"Achieving no success at the Paris conference means that Cambodia's war against foreign invasion will continue, the country will have no peace," he added.

Liu criticized Vietnam's allegation of "genocide" in Cambodia, pointing out that Vietnam's purpose is to interfere with the orientation of the conference, cover its act of aggression and maintain colonial control as well as to sabotage the quadripartite alliance."

"Vietnam has over one million settlers in Cambodia and is pursuing a policy of colonial rule. Its invasion of the country in the past ten years left many people dead, many destitute and homeless," he said.

On China's role in resolving the Cambodian issue, Liu said that "first of all, China will continue to work towards a comprehensive, fair and reasonable settlement of the Cambodian issue. We hope that peace will be achieved soon. However, it can not be achieved without the establishment of a quadripartite interim government headed by Samdech Norodom Sihanouk."

"The Cambodian people are still suffering from the foreign invasion. They should have the right to gain the sympathy and support of the international community," he added.

"China, as a justice-loving country, will continue to support the Cambodian resistance forces. This includes

supporting the Cambodian people in their fight against foreign invasion and in their struggle to achieve peace," Liu concluded.

SRV Asked To Stop 'Exodus' of Boat People

OW3108002789 Tokyo KYODO in English 1456 GMT 30 Aug 89

[Text] Paris, Aug. 30 (KYODO)—Japanese Foreign Minister Taro Nakayama, saying the boat people problem is becoming a headache for Japan, asked Vietnamese Vice Foreign Minister Tran Quang Co here Wednesday to prevent the mass exodus of Vietnamese people in boats.

Nakayama, here for an international forum on Cambodian peace, told Co he is worried that "sentiment in Japan is turning against Vietnam."

The Japanese minister, urging Co to take effective methods to stop the flood of boat people, said there is an impression in Japan that "Vietnamese officials are helping boat people to leave."

Co said Vietnam will continue efforts to prevent the illegal emigrants, which he said is causing instability in the social order and stalling the rehabilitation of the nation's economy.

The Vietnamese official said the government is giving education to its people against illegal emigration, but also said cooperation from foreign nations is indispensable.

The two ministers agreed that Japan will give Vietnam information concerning the backgrounds, brokers and journey routes of the boat people obtained through interviewing Vietnamese boat people who arrived in Japan, to help Vietnam cope with the mass exodus.

Japan

Prime Minister Kaifu Arrives in San Francisco

OW3008232189 Tokyo KYODO in English 2305 GMT
30 Aug 89

[Text] San Francisco, Calif., Aug. 30 (KYODO)—Japanese Prime Minister Toshiki Kaifu arrived from Tokyo on Wednesday morning to start a 12-day tour of the United States, Mexico and Canada.

While in San Francisco, the 58-year-old Japanese leader will visit art museums and a Japanese cemetery, and meet representatives of the Japanese community.

In the evening, he is scheduled to attend a dinner to be hosted by Japanese and U.S. business leaders.

Kaifu will fly to Washington on Thursday morning and meet U.S. President George Bush at the White House the next day.

He will be joined in the U.S. capital by Foreign Minister Taro Nakayama who will arrive there Thursday from Paris where he attended a Kampuchean peace conference.

After the United States, Kaifu will visit Mexico City to meet President Carlos Salinas de Gortari on September 5 and then fly to Ottawa to meet Canadian Prime Minister Brian Mulroney on September 7.

Kaifu, Nakayama and their party are scheduled to return to Tokyo on September 10.

Comments on U.S. Relations

OW3108053089 Tokyo KYODO in English 0453 GMT
31 Aug 89

[By Tim Johnson]

[Text] San Francisco, Aug. 30 (KYODO)—Japanese Prime Minister Toshiki Kaifu said Wednesday Japan has arrived at the stage where it is on an "equal footing" with the United States, its once-supreme benefactor.

But Japan will nevertheless continue to throw its support behind the U.S. as "the leader of the world's democracies," Kaifu said on the first day of his three-nation tour of North America.

"The U.S.-Japan relationship is no longer the protector-protected, teacher-pupil bond it once was," Kaifu said at a reception dinner hosted by the Northern California Chapters of the Japan Society and the Japanese Chamber of Commerce.

"Especially in its economic aspects, this bond is increasingly becoming an association of partners cooperating and occasionally competing on an equal footing—this is a fact whether one likes it or not," the prime minister told an audience of 960 people.

Kaifu said that both sides must "respond appropriately and flexibly" to Japan's new status in the bilateral relationship, which he noted has now come to encompass a "global dimension."

The premier stressed, however, that no other country can supplant the U.S. as the leader of the free world, and called on it to continue that role with confidence, as well as with faith in Japan's full support.

Although recent high-pitch friction over trade issues is a natural outgrowth of the scope of the two countries' ties, it should not be allowed to get out of hand, Kaifu warned.

"One even gets the impression that we are criticizing each other in ever-louder voices," he said. "At all costs, however, we must not allow this friction to rock the foundations of our bilateral bond."

Kaifu launched a pointed attack on a proliferating school of thought in the U.S. that holds that a self-centered Japan, lacking accountable leadership and a global perspective, will not change its allegedly protectionist trade policies by and of itself, but only through outside pressure.

"The assertion that Japan does not change and plays by different rules than the United States, which flies in the face of history, is certainly erroneous," Kaifu said.

Japanese Foreign Ministry officials expressed unease at the receptivity on Capitol Hill of journalist James Fallow's article in the ATLANTIC MONTHLY titled "Containing Japan," and other studies along the same vein.

Kaifu plans to address what Japanese officials see as a "perception gap" when he makes his key speech of the tour at the National Press Club in Washington after his summit meeting with U.S. President George Bush.

In an apparent allusion to Washington's threat to retaliate against Japan if it does not negotiate over alleged barriers to U.S. exports, Kaifu condemned managed trade as "foolish" and said it could stifle the dynamism of the two countries' economies.

"It is hard to accept the hasty conclusion, formed in blind disregard of the facts, that trade between the U.S. and Japan should be controlled," he declared.

Kaifu said the two economic dynamos should shake free of historical precedence by joining forces to improve the lot of mankind, rather than "perpetuating the wrangling for hegemony among world powers that has been seen for centuries in the past."

He called for greater bilateral cooperation with the U.S. in such areas as "ensuring world peace and security ... managing the global economy and remedying environmental problems."

"Japan has the grand, 21st century goal of contributing to the world's well-being," Kaifu said.

Kaifu also made a reference to an idea elucidated most forcefully by Australian Prime Minister Bob Hawke for a new intergovernmental vehicle for Asia-Pacific regional economic cooperation.

He called the proposition "extremely attractive" and said he personally wishes to promote it "from a perspective of prosperity and stability for the world at large."

But he cautioned that the proposed mechanism, which has been referred to as an Asian OECD (Organization for Economic Cooperation and Development), "must not be an exclusive venture of an adversarial nature with respect to other regions."

Kaifu's remarks come amid European expressions of concern over the possible exclusion of nonregional entities from a grouping with the potential of becoming a formidable economic bloc.

Japan and the U.S., which support the Australian initiative insofar as members of the Association of Southeast Asian Nations (ASEAN) also feel comfortable with it, have agreed to join in a exploratory discussion of the concept at a regional ministerial meeting in Canberra in November.

The topic is also expected to figure high on the agenda of Kaifu's summit meetings in Washington and Ottawa.

Kaifu, who came to San Francisco only last May as a dietman taking part in a U.S.-Japan parliamentary conference, said he never imagined he would be returning so soon as Japan's prime minister.

"For three days I had frank and very profitable discussions with representatives of the U.S. Congress on every aspect of U.S.-Japan relations," he said.

He first visited San Francisco as a 29-year-old freshman legislator on an invitation from the State Department.

Plans To Meet With Dukakis

OW3108043589 Tokyo KYODO in English 0330 GMT 31 Aug 89

[Text] San Francisco, Aug. 30 (KYODO)—Japanese Prime Minister Toshiki Kaifu will meet former presidential candidate Michael Dukakis in Boston on Saturday, Japanese Foreign Ministry officials said Wednesday.

Kaifu will hold a brief exchange of views with Dukakis, governor of Massachusetts and the Democratic nominee for the presidency in 1988, shortly after his arrival in Boston from a summit meeting the previous day with U.S. President George Bush, officials said.

Kaifu will then proceed to a dinner meeting with former U.S. Ambassador to Japan Edwin Reischauer and the heads of Harvard University, the Massachusetts Institute of Technology (MIT) and Massachusetts State University, officials said.

Officials said Kaifu is keen to wind up the dinner in short order so as to have as much time as possible for "in-depth" discussions on the current state and future prospects of Japan-U.S. relations.

Kaifu, who is promoting increased bilateral private exchanges during his six-day visit to the U.S., wanted the forum arranged as part of his effort to turn the recent tide of negative sentiment toward Japan in the U.S. over trade friction, officials said.

Doi: JSP Would Ban U.S. Nuclear Ship Visits

OW3108033889 Tokyo KYODO in English 0207 GMT 31 Aug 89

[Text] Sydney, Aug. 31 (KYODO)—Takako Doi, leader of the Japan Socialist Party (JSP), said in an interview published Thursday that visits to Japan by U.S. ships carrying nuclear weapons will be banned if she takes power.

Doi told the SYDNEY MORNING HERALD that the United States has agreed to hold prior consultations with Japan if it wants to bring nuclear weapons to Japan.

She said this agreement should be implemented and added that Japan is opposed to visits by ships of any country which are carrying nuclear weapons.

The newspaper quoted a U.S. diplomat as saying that the ban on visits by such U.S. vessels is tantamount to the abrogation of the U.S.-Japan Security Treaty.

Doi's JSP, the largest opposition party, considerably gained in the July 23 House of Councillors election to force Prime Minister Sosuke Uno, also president of the Liberal Democratic Party (LDP), to step down.

The more powerful House of Representatives is to be dissolved by July next year for a general election and political analysts in Tokyo say the LDP will likely suffer a setback again at the hands of the JSP.

Government Rejects U.S. Steel Export Limits

OW3108033989 Tokyo KYODO in English 0158 GMT 31 Aug 89

[Text] Washington, Aug. 30 (KYODO)—Japan has rejected a request from the United States to sharply reduce its quota of steel exports to the U.S. market from the current 5.8 percent, Japanese officials said Wednesday.

They said the Japanese rejection came during three days of bilateral talks which were held here from Monday to Wednesday. The next meeting will be held around mid-September.

"It's a very tough figure," a senior Japanese negotiator said of the American request to trim the steel import quota under so-called voluntary restraint arrangements (VRAS).

Under the existing agreements with Japan and other countries, the U.S. allocates 18.5 percent of its market to foreign steel producers, including 5.8 percent for Japanese makers.

But Japanese steel products accounted for only 4.3 percent of the American market last year.

U.S. trade officials cited this fact as one of the reasons for the American request for a smaller Japanese quota after October 1 when the VRAS will be extended for two and a half years, according to Japanese sources.

The U.S. is scheduled to hold similar steel talks with the 12-nation European Community, South Korea and other countries in coming weeks.

"We want the U.S. to set our allotment fairly and objectively," the senior Japanese official said, speaking on condition that he not be identified.

He said the two countries did agree to work toward achieving an international consensus on ending steel trade-distorting practices to phase out the VRAS.

During the three-day session, sources said, the U.S., as in the last steel talks with Japan in Tokyo earlier this month, repeated complaints about impediments to access to the Japanese steel market.

The sources said the two countries are in general agreement on helping to eliminate steel-trade distortions within the framework of multilateral trade liberalization talks under the General Agreement on Tariffs and Trade (GATT).

The U.S. told Japan it needs an extension of the VRAS for another two and a half years to help the local industry recover its competitiveness and achieve an international consensus to help end the import curbs.

Refugee Influx Challenges Immigration Policy

OW3008131189 Tokyo KYODO in English 1144 GMT
30 Aug 89

[By Chikako Mogi]

[Text] Tokyo, Aug. 30 KYODO—Arrivals of illegal Chinese immigrants pretending to be Vietnamese boat people have underscored the limits in Japan's immigration policy of strictly shunning unskilled foreign workers while accommodating an unprecedented deluge of refugees.

Japan has automatically provided Indochinese boat people with legal protection for humanitarian reasons since 1978, gradually expanding the official limit of refugees granted permanent residency from 500 to 10,000 in 1985.

After landing, the boat people are inspected and given 180-day first asylum status. Their legal basis for working in Japan is then provided by a special resident status for settlement, and self-support refugee status for those with first asylum status wishing to work here while waiting for

settlement in a third country. Justice Ministry Immigration Bureau official Yoshinori Sato explained.

As of July 31, 4,309 of the 6,222 Indochinese refugees with special resident status were Vietnamese, and 2,583 of those 4,309 were boat people, the refugee resettlement assistance headquarters said. The Justice Ministry, meanwhile, plans to tighten control of unskilled foreign workers in Japan, denying them working visas and penalizing companies which recruit illegal immigrants in a move to curb the rising number of foreign laborers attracted by the booming economy in Japan.

The number of illegal immigrants deported last year reached 17,854 and that figure will likely be surpassed this year, said Toshiki Eguchi, a legal affairs official at the ministry. Foreign Ministry sources said about half of the over 2,000 boat people landing in Japan this year were suspected to be Chinese who joined the Vietnamese in China.

Chief Cabinet Secretary Mayumi Moriyama said Wednesday that steps to return any of them judged to be illegal immigrants would be taken in consultation with the Chinese Government, but noted that if they were recognized as refugees, the Chinese might be allowed to stay. In August alone, about 1,500 "Vietnamese" boat people arrived on the shores of Kyushu and Okinawa, southern Japan.

The government is reconsidering the status of those Vietnamese boat people who said they fled Vietnam in search of a better life, which would make them "economic refugees" who are not qualified for political refugee status. In strict legal terms the boat people are not political refugees, fleeing their homeland due to "a well-founded fear of persecution," as defined in the statute of the United Nations High Commissioner for Refugees Office, a legal expert said.

But it is "not appropriate to strictly apply the statute because it is very difficult, especially for Vietnamese boat people, to show evidence of fear of persecution upon their return to Vietnam," said Shigeki Miyazaki, professor of international law at Meiji University.

"The majority of them escape because of intolerable living conditions so we can call them 'economic refugees.' Whether Japan will draw a clear line between political and economic refugees constitutes something of a challenge to its humanitarian policy," Miyazaki said.

Nguyen My Tuan, leader of the Vietnamese Association in Japan, voiced caution about terming the Vietnamese boat people "economic refugees" fleeing their homes simply in search of an affluent life. "Japan must not judge the legal status of these boat people by what appears on the surface. Behind their wanting to have a better life lies the reality of a futureless society in Vietnam," said Nguyen, 36, who came to Japan in 1972 as a government exchange student and has lived here ever since. "We have no peace of mind. We are constantly suffocated by uncertainty over our future, the

nation's future, by suppression of every conceivable fundamental human right," he said.

The Justice Ministry said it will issue a temporary landing permit to boat people in the future and conduct strict screenings before granting them final landing permission. Nguyen said, "I hope the move is not aimed at a comprehensive refusal of refugees. I also fear frictions between Vietnamese boat people who are not accredited as political refugees but cannot be shipped home and illegal foreign immigrants, including unskilled workers, who overstay their visas and await deportation."

Japan must reconsider restrictions on unskilled foreign workers which often prompt them to stay in Japan illegally, Miyazaki said. At the same time, it must make legally mandatory the special resident status instead of leaving it to the discretion of the justice minister as it is now, he said.

Moriyama on Tightening Screening

*OW3108044489 Tokyo KYODO in English 0341 GMT
31 Aug 89*

[Text] Tokyo, Aug. 31 (KYODO)—Japan will tighten screening of Indochinese refugees to cope the increasing arrivals of boat people in western Japan, the number of whom has already exceeded 2,000 this year, Chief Cabinet Secretary Mayumi Moriyama said Thursday.

The chief government spokeswoman told reporters that many of the boat people are not refugees trying to escape persecution but people seeking a better life and that it has been found that among them were illegal Chinese immigrants pretending to be Vietnamese boat people.

The screening policy is compatible with the agreement concluded at the Geneva International Conference on Indochinese Refugees in June, Moriyama said.

Those who are not recognized as refugees will be deported in line with the immigration control and refugee recognition law, she said.

Moriyama also said some boat people who had been allowed to stay in Japan after being recognized as refugees could be deported if they are found to have come to Japan for economic reasons.

She said this would also apply to illegal Chinese immigrants pretending to be Vietnamese refugees who had been recognized earlier as refugees.

Fleeing Refugees Caught in Kumamoto, Naha

*OW3008141489 Tokyo KYODO in English 1237 GMT
30 Aug 89*

[Text] Kumamoto, Aug. 30 KYODO—Sixteen of some 35 boat people who fled to nearby mountains returned freely or under police escort Wednesday to the beach-head near here where their group of 180 "refugees" had landed early the same day.

Six of the 35 returned of their own free will to the landing site while authorities caught and escorted 10 others back to tents set up on the shore to house the arrivals. Some 50 police joined in the search for the boat people, combing the hills south of the southern Japanese city of Kumamoto and setting up check points on roads. Authorities said 119 men, 32 women, 17 children and three infants were accounted for. The 19 members still at large are believed to be all men.

In the Okinawan prefectural capital of Naha the same day, police apprehended two of four Chinese would-be refugees who had fled from facilities there. Some 81 Chinese had joined a group of Vietnamese boat people when their boat stopped at China's Fujian Province for supplies, swelling their number to 124.

Officials said the 81 Chinese will be transferred to immigration authorities in Osaka and Tokyo, having told officials they had come to Japan to find work. The Chinese face deportation if declared illegal immigrants.

A total of 77 Vietnamese birth certificates were found among the travelers despite the appearance of only 43 Vietnamese, leading officials to suspect the remaining documents are forgeries.

More Chinese are suspected among at least two of the groups of boat people who arrived Monday and Tuesday off southern Japanese shores. In Nagasaki Prefecture, authorities found only 41 Vietnamese-speakers among the 103 "refugees" who arrived Tuesday.

The Nagasaki group will be forced to spend the night on board due to overcrowded facilities at the Omura refugee reception center north of the city.

Authorities on Wednesday transferred some 160 boat people believed to be Chinese from the reception center to nearby immigration facilities. The 160 would-be refugees arrived with a group of 204 on Monday.

Poland Requests Overseas Development Loan

*OW2808063189 Tokyo KYODO in English 0550 GMT
28 Aug 89*

[Text] Tokyo, Aug. 28 KYODO—Poland called on Japan Monday to extend its official development assistance (ODA) and other aid to the deficit-ridden East European country, which has ended more than 40 years of communist rule.

Polish Ambassador to Japan Ryszard Frackiewicz told reporters at the Polish Embassy in Tokyo that Poland hoped to receive an ODA loan. Japan extends low interest loans to developing countries.

He quoted Japanese government officials as saying that Poland does not qualify for an ODA loan. But he said Poland's per capita income is less than 2,000 dollars compared to an average 2,826 dollars in countries that had received aid in 1987.

Frackiewicz said the Polish Government wanted Japan to give "direct investment, technical aid, and joint production" to Poland, which faces a 39-billion-dollar debt and soaring inflation.

Frackiewicz said the Polish Government hoped also to receive Japanese advice on energy and pollution-saving equipment, thermal power station construction, food-processing production, and company management techniques.

"Poland is entirely an open country and has continued to declare its intention to repay debts to donor countries, he said. He said the country is now at the "brink of economic collapse."

Frackiewicz also said Poland wants economic and investment aid but "not in industries which will have any military relevance."

Foreign Ministry Seeks Budget Increase

*OW 3008133289 Tokyo KYODO in English 1127 GMT
30 Aug 89*

[Text] Tokyo, Aug. 30 KYODO—The Foreign Ministry said Wednesday [August 30] it will seek an allocation of 534.5 billion yen in the budget for fiscal 1990, starting next April 1, including some 419 billion yen for official development assistance (ODA).

The budget request is up 14.6 percent from the ministry's budget for the current fiscal year. Its request for ODA includes some 1.33 billion yen to set up a new fund at the International Tropical Timber Organization (ITTO) to help it preserve global forests, ministry officials said. It also includes 1.1 billion yen to double Japan's contribution to the United Nations Environment Program (UNEP) to cope with the gradual warming of the earth, they said.

The officials said the ministry wants 300 million yen to finance a new project to dispatch retired technical experts to developing countries and plans to send 40 technicians initially to Thailand, the Philippines, Malaysia and Indonesia next year.

The ministry is also asking for 100 million yen to enable Koreans in the Soviet territory of Sakhalin to be reunited with their relatives, they said. Japan moved tens of thousands of Koreans to Sakhalin as forced labor during World War II and some 35,000 Koreans still live there. The ministry set aside 58 million yen for the first time in its fiscal 1989 budget to help Koreans on Sakhalin visit their homeland or Japan to meet their relatives.

MITI Seeks Budget To Survey Economic Structure

*OW 3008135189 Tokyo KYODO in English 1220 GMT
30 Aug 89*

[Text] Tokyo, Aug. 30 KYODO—The Ministry of International Trade and Industry [MITI] will seek 250 million yen in the fiscal 1990 budget to conduct surveys on

the Japanese economic structure. The ministry said the funds will be used to survey differences between the economic structures of the United States and Japan.

The budget request stems from the impending start of Japan-U.S. structural trade negotiations to open in Tokyo on September 4. The ministry has already asked for an appropriation of 55 million yen to study differences of commodity prices in the two countries.

Japan and the United States are scheduled conclude the negotiations by the summer of next year. Japan would be ready to correct structural problems, if any, ministry officials said. The outcome of the surveys will be used to improve the Japanese structure on a medium-term basis, the officials said.

Transport Minister Eto Visits West Europe

*OW 2308181589 Tokyo KYODO in English 1134 GMT
23 Aug 89*

[Text] Tokyo, Aug. 23 KYODO—Transport Minister Takami Eto will leave Tokyo Sunday [27 August] on an 11-day trip to Western Europe, the Transport Ministry said Wednesday.

The 64-year-old minister will meet government officials of Austria and France, as well as Willibald Pahr, secretary general of the World Tourism Organization (WTO), and G.O.P. Obasi, secretary-general of the World Meteorological Organization (WMO), a special agency of the United Nations, ministry officials said.

He will also inspect airport facilities in Vienna and London, they said.

Kaifu Plans No Lower House Dissolution

*OW 3008150489 Tokyo KYODO in English 1420 GMT
30 Aug 89*

[Text] Tokyo, Aug. 30 KYODO—Government sources close to Prime Minister Toshiki Kaifu said Wednesday [30 August] that Kaifu has no intention of dissolving the House of Representatives for general elections before the preparation of a budget for fiscal 1990 at year-end.

The sources expressed displeasure about the possible early Diet dissolution, recently predicted by former Deputy Prime Minister Shin Kanemaru and another ruling Liberal Democratic Party (LDP) leader. The sources stressed that the right to dissolve the House of Representatives lies with the prime minister. They hinted that the lower house will not be dissolved this year.

Kanemaru, head of the LDP faction nominally led by former Prime Minister Noboru Takeshita, predicted Monday [28 August] that the lower house may be dissolved soon because of a possible confrontation between the ruling and opposition parties over the consumption tax issues.

The opposition parties plan to submit a bill to scrap the 3 percent consumption tax to the House of Councillors

during an extraordinary session slated to be convened in late September. A senior member of the LDP faction led by former LDP Secretary General Shintaro Abe also sided with Kanemaru.

Finance Minister Ryutaro Hashimoto and Hiroshi Mitsuzuka, chairman of the LDP Policy Affairs Research Council, have agreed, however, that a bill for reviewing the consumption tax should not be submitted to the extraordinary Diet session and to oppose early Diet dissolution.

LDP To Draft Consumption Tax Review

OW3008134989 Tokyo KYODO in English 1256 GMT 30 Aug 89

[Text] Tokyo, Aug. 30 KYODO—A senior executive of the ruling Liberal Democratic Party [LDP], Hiroshi Mitsuzuka, said Wednesday the party will work out a draft in November to review the unpopular 3 percent consumption tax.

Mitsuzuka, chairman of the LDP's policy affairs research council, made the statement in separate meetings with former Deputy Prime Minister Shin Kanemaru and former State Minister Toshio Komoto, both heads of LDP factions.

Mitsuzuka reiterated that a bill to review the consumption tax will not be presented to the Diet during its extraordinary session slated to be convened in late September, due to lack of time and other reasons.

Kanemaru approved Mitsuzuka's plan while asking him for a drastic review of the consumption tax introduced in April.

Komoto, however, called on Mitsuzuka to present the consumption tax-review bill to the extraordinary Diet session.

Komoto made the request to counter a bill to scrap the consumption tax, which is expected to be presented by opposition parties during the extraordinary Diet session.

Mitsuzuka met Kanemaru and Komoto as part of his meetings with LDP leaders to exchange views on the review of the consumption tax.

Mitsuzuka told them the party will inaugurate a panel in September for full-scale discussions to review the consumption tax.

Ministry Opens Insider Trading Probe

OW2908125789 Tokyo KYODO in English 1209 GMT 29 Aug 89

[Text] Tokyo, Aug. 29 KYODO—The Finance Ministry is investigating the possibility of insider trading involving a brokerage house concerned in a merger agreement between two major Japanese banks, ministry officials said Tuesday.

The investigation, being made in conjunction with the Tokyo and Osaka Stock Exchanges, involves Shinei Ishino Securities Co., a medium-sized securities broker with close ties to Taiyo Kobe Bank, the officials said.

The Tokyo Stock Exchange is checking records of the brokerage house to find out if it has been involved in deals in the underlying stock, they said.

The action follows suspicious price movements in Taiyo Kobe Bank's stock before it and Mitsui Bank announced their merger accord on Tuesday.

The stock has shot up recently on the Tokyo Stock Exchange, closing at 1,630 yen Monday against 1,300 to 1,400 yen in late June. The exchange suspended trading in the share Tuesday due to the merger announcement.

According to brokerage industry sources, Shinei Ishino Securities has been active in placing buy orders for Taiyo Kobe Bank shares, with its purchases estimated to represent about one-fourth of the total buy orders for the stock in July.

Kazuo Sekiya, an official responsible for management of share transactions at the securities firm, denied it had been involved in insider trading.

"Many of the investors who have bought the stock were clients of Taiyo Kobe Bank. We have only done our business as usual as a securities broker, so we don't think such activities violate insider trading rules," he said.

Mitsui, Taiyo Kobe Banks To Merge in April

OW2908080689 Tokyo KYODO in English 0547 GMT 29 Aug 89

[Text] Tokyo, Aug. 29 KYODO—Two Japanese commercial banks, Mitsui Bank Ltd. and Taiyo Kobe Bank Ltd., announced Tuesday that they will merge to form the world's second largest bank in terms of fund volume, effective April 1, 1990.

The merger, subject to official approval at extraordinary shareholders meetings of the two banks in December, will be realized on an equal basis, with a share exchange rate of 10 Taiyo Kobe shares to eight Mitsui shares, bank officials said.

The new bank will be the world's second largest commercial bank after Dai-Ichi Kangyo Bank Ltd., also of Japan, in terms of the volume of funds, totaling 36,891.5 billion yen for the two banks at the end of March this year.

The name of the new bank, Taiyo Kobe Mitsui Bank, will be changed within three years after the merger, the officials said.

"The expansion of fund volume is becoming increasingly important to banks amid growing globalization and liberalization of the financial world, especially to establish a firm foothold as a universal bank," said Kenichi Suematsu, president of Mitsui Bank.

Suematsu will be president of the merged bank and Yasuo Matsushita, president of Taiyo Kobe Bank, will be its chairman.

"Enhancing bank quality will not be realized without an increase in fund volume to some extent," Suematsu said.

This will be the first merger between commercial banks in Japan in 16 years since Taiyo Bank and Kobe Bank merged in 1973 to form Taiyo Kobe Bank.

Commenting on the share exchange ratio, Suematsu said it was based on the difference between the two banks' stock prices, dividend payments, net assets per share and other factors, including profitability.

With the merger, the new bank will have a total of 619 branches—591 domestic branches and 28 foreign-based offices.

The bank will have 23,187 employees—12,931 from Taiyo Kobe and 10,256 from Mitsui, Bank officials said.

The combined pretax profits of the two banks for fiscal 1988 totaled 288.8 billion yen and net profits 132.9 billion yen.

On the list of 13 major Japanese commercial banks, the merged bank will be the sixth largest on both a pretax and net profit basis, according to the latest report provided by the banks.

Suematsu told reporters that talks on the merger originated in a call from Mitsui Bank around this March.

"I believe the merger will be meaningful in terms of better and diversified financial services to customers of both banks," Matsushita said.

Suematsu also said he expects "synergy" effects from the merger, suggesting the move would help to supplement both partners' weak areas, thus providing better services.

Asked whether the decision on the merger reflects the Finance Ministry's desire or intention, Matsushita said, "The decision eventually was reached through long talks between our two banks and entirely reflects our voluntary will and postures."

Bank of Japan Governor Satoshi Sumita hailed the move, describing the move as "significant" in terms of boosting bank management capability.

Sumita also said he expects the planned merger to enhance customer services both at home and abroad.

Asked about the merger's impact on the capital-adequacy ratio set by the Bank for International Settlements (BIS), Suematsu said, "No substantial improvement will be visible in the short term, but I expect the move will enable the bank to engage in more active investment."

Informal Approval Expected in November

OH 2908080889 Tokyo KYODO in English 0431 GMT
29 Aug 89

[Text] Tokyo, Aug. 29 KYODO—The Finance Ministry is expected to approve informally the projected merger between Mitsui Bank and Taiyo Kobe Bank in early November, ministry sources said Tuesday.

The sources said the two major Japanese banks are expected to apply in mid-October to the ministry for a merger next April 1.

The ministry will follow the same procedures followed for the merger of Taiyo Bank and Kobe Bank in 1973. Approval of the prior merger took a month and half after the banks applied, the sources said.

The ministry will formally approve their merger, the first merger in 16 years between major commercial banks, after shareholders from Mitsui Bank and Taiyo Kobe Bank meet later this year and submit their formal application, they said.

Commenting on the merger plan by Mitsui Bank and Taiyo Kobe Bank, Finance Minister Ryutaro Hashimoto said the proposed merger bodes very well at a time when Japan is trying to liberalize and internationalize its financial markets.

He said in a statement that it is a pleasure to see both Mitsui Bank and Taiyo Kobe Bank making the merger decision from a broader perspective, which he said, would enhance their interests.

Hashimoto expressed the hope that the projected merger would benefit the public through a multilateral service for domestic and foreign depositors and lenders, based on an anticipated solid management foundation.

Speaking to reporters later, Hashimoto said both the United States and Britain are moving to reform their financial industries.

From a global perspective, the proposed merger is very timely, he said, citing the two banks' complementary relationship in customer service and branch expansion.

In view of additional capital investment required in the Japanese banking industry, for such purposes as improving computerized banking systems, the projected amalgamation could help to avoid excessive investment, leading to benefits for customers, he said.

Hashimoto flatly denied widely held speculation that the Finance Ministry pressured both Mitsui and Taiyo Kobe on the merger, saying their merger plan resulted from strong ties between the two companies' top management.

But he rejected speculation that their merger decision could prompt other commercial banks to follow suit, adding that this would depend on whether the parties concerned could discuss merger prospects sincerely.

Panel Urges Competitive Distribution System

OW3008131989 Tokyo KYODO in English 0844 GMT 30 Aug 89

[Text] Tokyo, Aug. 30 KYODO—A government advisory panel Wednesday called for a more open and competitive "consumer-oriented" distribution system in Japan through further deregulation and supply of adequate information to consumers.

The distribution problems study group, an advisory panel to the director general of the price bureau of the Economic Planning Agency, stressed the need for more appropriate implementation of regulations governing the distribution system, especially the operation of large-scale retailers.

In a report seeking a more open and competitive distribution system tailored to consumers, the group also urged a review of trade practices and the creation of a joint purchasing agent for imported goods by small- and medium-sized wholesalers and retailers struggling to compete against rivals.

It also is urging detailed data on price differences on both domestic and overseas goods.

The report also called for a review of local public entity regulations governing large retailers.

As to the Antimonopoly Law, the report said there is a need to ensure a more effective price mechanism through stricter enforcement of the law particularly concerning import agents.

It called for government agencies to create a computerized retail price information system so that consumers can better be informed of commodities.

It also urged the establishment of an import promotion and wholesale center to facilitate overseas firms in holding fairs and commercial deals and the creation of a nationwide network to deal with complaints filed by consumers.

The complex Japanese distribution system has been criticized by the U.S., which says it places unreasonable restraints on the opening of larger retail stores and constitutes a nontariff trade barrier.

Imported Chips Secure Record Market Share

OW3008140289 Tokyo KYODO in English 1147 GMT 30 Aug 89

[Text] Tokyo, Aug. 30 KYODO—The share of imported semiconductor chips in the Japanese market hit a new record high of 11.5 percent in the second quarter of this year, the Ministry of International Trade and Industry said Wednesday.

The share in the April-June period eclipsed the previous record of 10.9 percent set in the January-March period.

the ministry said adding that it was presumably due to greater efforts by major Japanese electronics firms to use imported chips.

Ministry officials said the market share of imported chips is expected to continue inching up for the time being.

The ministry computed the share on the basis of the World Semiconductor Trade Statistics (WSTS).

Japan came under a barrage of U.S. criticism when the import share plunged to 10.6 percent in the October-December period last year from 10.9 percent in the previous quarter.

Automakers Urged To Reconsider Production Plans

OW3008135689 Tokyo KYODO in English 1149 GMT 30 Aug 89

[Text] Nagoya, Aug. 30 KYODO—A high-ranking government official has urged automakers to reconsider their investment plans to boost production capacity.

Koji Kodama, vice minister of international trade and industry, made the appeal in a news conference during a visit to Nagoya for talks with local business and industry executives.

Kodama said he could not understand why automobile manufacturers still plan to boost their production.

He noted that the export ratio of automakers remained high while their production bases in North America have strengthened.

Kodama's remark was viewed as indicating the government's fears about an export drive by the auto industry, depending on domestic economic expansion.

A misjudgment on investment plans by the automobile industry could lead to a recession of the Japanese economy, he warned.

Kodama said views were gaining ground in the European Community that European enterprises should seek Japan's cooperation after the market integration scheduled for 1992.

He said Italy and France, which have taken a tough stand against Japanese imports, are now seeking ways to build relations with Japan on the basis of new perceptions.

Mongolia

Batmonh Receives German SED's Lorenz

AU2908161689 East Berlin NEUES DEUTSCHLAND in German 28 Aug 89 pp 1, 2

[ADN report: "Jambyn Batmonh Received Head of Socialist Unity Party of Germany Delegation"]

[Text] Ulaanbaatar—Jambyn Batmonh, general secretary of the Mongolian People's Revolutionary Party

[MPRP] Central Committee and chairman of the Presidium of the Mongolian People's Republic's [MPR] Great People's Hural, received Siegfried Lorenz, member of the Politburo of the Central Committee of the Socialist Unity Party of Germany [SED] and first secretary of the Karl-Marx-Stadt Bezirk leadership, for cordial talks on Saturday [26 August]. Siegfried Lorenz headed the delegation of the SED which had paid a several-day visit to the MPR.

Jambyn Batmonh expressed thanks for the fraternal greetings from Erich Honecker, general secretary of the SED and chairman of the GDR State Council, which Siegfried Lorenz conveyed to the party and state leadership and to all communists and working people of the MPR. He praised the visit by Siegfried Lorenz as an expression of the high level of fraternal relations between the two parties, states, and peoples, and asked him to return cordial greetings to Erich Honecker and the GDR people.

Jambyn Batmonh outlined to his GDR guest current questions of the MPRP's policy for creating the material-technological basis for socialism in the MPR. In this process, the MPRP considers speeding up social-economic progress and increasing the efficiency in the production sphere to be a determining condition for restructuring the country into an industrial-agricultural state. The process of reshaping the economic mechanism has to be carried out simultaneously with the development of those branches of the national economy, for which the MPR provides favorable natural and economic conditions. On the basis of the principles and values of socialism, the party will outline even more clearly than in the past the future roads of social development in the country. What is particularly important is to further strengthen and develop the MPRP as a Marxist-Leninist party of the masses and to extend the power of the workers' class in alliance with the other working people. This process requires the perfection of socialist democracy. Taking into account the specific conditions of the country it is equally important to further promote the international socialist division of labor for mutual benefit.

Siegfried Lorenz responded to the statements by Jambyn Batmonh and discussed the SED policy in further shaping the developed socialist society in the GDR. He said that this policy focuses on man and man's needs and many and diverse interests. A few weeks before the 40th anniversary of the GDR one can see that the working people are making great economic achievements, which guarantee the continuation of the successful course of the unity of economic and social policy. Four decades of socialist development in the GDR have shown that in central Europe, immediately at the border line between socialism and capitalism, socialism is stable and able to provide constructive answers to the questions of our time. In the preparation for the 12th SED Congress one can state that the balance sheet of what has been achieved is very positive. It was only possible to achieve these good results because of the tested alliance between the party and working class as well as the parties and mass organizations that are united in the National Front,

he said. The SED has always been guided by the principle of continuity and renewal. It regards the construction of socialism as a profound process of political, economic, and intellectual-cultural changes. The theory of socialist society is continuously further developed and vigorously implemented in all spheres of life. In this process close solidarity with the working people has always been maintained, and there is no room for bourgeois ideology, Lorenz stated.

In assessing the international situation, the partners in the talk emphasized that they are in complete agreement. They stressed that maintaining peace is and remains the most important task of international relations. The forthcoming 50th anniversary of the unleashing of World War II is another opportunity to point to the vital question of mankind. What matters today is to render irreversible the shift we have initiated from confrontation to cooperation through substantial disarmament steps.

Jambyn Batmonh stressed the MPR's desire—just like the GDR's—to help resourcefully shape the course of international relations by means of a predictable and constructive policy of dialogue and cooperation and by disarmament steps. Deepening fraternal cooperation with the USSR and extending good-neighborly relations with the PRC are vital to his country, Batmonh said. With its policy, the MPR tries to promote a lasting political dialogue in Asia and to help strengthen trust. This also increases the possibility for gradual military detente in the far east of Asia, he said.

Present at the talks were Bugyn Dejid, member of the Politburo and secretary of the MPRP Central Committee, as well as GDR Ambassador Lothar Zoellner.

Before concluding its stay in the MPR, the SED delegation visited agricultural enterprises on Sunday [27 August]. Accompanied by Bugyn Dejid, the GDR guests visited the "October" state farm, which is linked to the Roehrsdorf Cooperative of Karl-Marx-Stadt Kreis by a friendship treaty. Subsequently, the SED delegation was cordially welcomed in the "Ernst Thaelmann" state farm in Bornuur, which has been developed successfully since 1972, in cooperation with the GDR.

Foreign Minister Receives GDR's Ott

AU2908153389 East Berlin NEUES DEUTSCHLAND
in German 26-27 Aug 89 p 6

[ADN report: "Mongolian Foreign Minister Received GDR Politician"]

[Text] Ulaanbaatar (ADN)—On Friday [25 August] Tserenpiliin Gombosuren, minister of foreign affairs of the MPR, received GDR Deputy Foreign Minister Harry Ott for a talk in Ulaanbaatar. Both politicians noted with satisfaction that the close cooperation between the two countries on the basis of the treaty on friendship and cooperation of 1977 and the agreements concluded between the general secretaries of the SED and the MPRP, Erich Honecker and Jambyn Batmonh, is being

developed and deepened in all fields. In implementing the joint peace program of the socialist states, the GDR and the MPR are according particular importance to the initiatives and proposals to safeguard peace, security, and stability in Europe and in the Asia-Pacific area.

In connection with the 50th anniversary of the outbreak of World War II, they stressed the necessity of the joint struggle against fascism, neo-Nazism, and militarism in any form. The GDR and the MPR will continue to direct their efforts at making the initiated change toward cooperation and understanding irreversible and at not permitting any break in the disarmament process. They will categorically reject any provocations and aggressive actions by imperialist forces against socialism, against peace and detente.

During his stay in Ulaanbaatar Harry Ott held consultations with MPR Deputy Foreign Minister Gombosurengiyn Dashdawaa on international issues and on the expansion of bilateral relations.

North Korea

U.S. Accused of 'Intensifying Aerial Espionage'

SK3108104589 *Pyongyang KCNA in English*
1039 GMT 31 Aug 89

[Text] Pyongyang August 31 (KCNA)—The U.S. imperialist aggressors are intensifying aerial espionage against the northern half of Korea, while staging the adventurous "Ulchi-Focus Lens 89" all over South Korea, according to military sources.

At around 07:00 on August 31 the U.S. imperialists again let a "U-2" strategic reconnaissance plane make a shuttle flight along the Military Demarcation Line from the West Sea to the East Sea of Korea for aerial espionage on the forward area, seas and depth of the northern half of the country.

Such espionage acts of the U.S. imperialists numbered more than 20 in August.

They also carried out provocative espionage on the ground, sky and seas of the northern half of Korea in a premeditated manner in the last one month with the introduction of a total of 10 "E-3A" AWACs from Okinawa into the sky above South Korea while staging nuclear attack exercises with the mobilisation of nuclear-loaded "B-52" strategic bombers and "F-16" fighter-bombers and other warplanes of various types from the U.S. mainland and overseas aggression bases.

In this period they let "RV-1," "RC-12," "RF-4C" and other reconnaissance planes fly more than six sorties on a daily average along the Military Demarcation Line from the East Sea to the West Sea of the country, committing espionage on more than 180 occasions on the areas of our side.

The aerial espionage acts of the U.S. imperialist aggressors which are getting all the more unscrupulous show that they are deliberate and premeditated provocations designed to keep the situation on the Korean peninsula strained and attack the northern half of Korea.

Group Calls for U.S. Troop Withdrawal From South

SK2808050589 *Pyongyang KCNA in English*
0458 GMT 28 Aug 89

[Text] Pyongyang August 28 (KCNA)—We solemnly call upon governments, parliaments, political parties, public organizations of different countries of the world and international organizations and organizations of friendship and solidarity with the Korean people to put strong pressure upon the United States to take a step for disarmament and detente on the Korean peninsula and withdraw its troops and all weapons including nuclear weapons from South Korea so as to guarantee a durable peace in Korea.

The International Liaison Committee for the Reunification and Peace of Korea said this in its appeal August 21 to governments, parliaments, political parties and public organizations of different countries of the world and international organizations and organizations of friendship and solidarity with the Korean people in support of the August 17 appeal of the Korean Anti-Nuke Peace Committee.

Noting that the United States, advertizing the fictitious "threat from the North", is steadily reinforcing its armed forces including nuclear weapons in South Korea, the appeal stated that the Democratic People's Republic of Korea has no nuclear weapons.

More than 1,000 nuclear weapons deployed in South Korea are not targetted against the other part of Korea only either in view of their number or in view of their firing range, the appeal said, adding: It is ridiculous of the United States to carp on us on the pretext of so-called "threat from the North".

Meanwhile, the committee made public a statement on August 20, expressing the expectation that all the peace-loving forces the world over will take an active part in the broad international campaign to dismantle nuclear arsenal on the Korean peninsula in response to the appeal of the Korean Anti-nuke Peace Committee.

Rallies Demand End to 'Persecution' of Yim, Mun

SK3108005089 *Pyongyang KCNA in English*
2214 GMT 30 Aug 89

[Text] Pyongyang August 30 (KCNA)—Working people of various strata in North Hamgyong Province and Nampo Municipality had meetings today at which they denounced the U.S. imperialists and the South Korean puppet clique for persecuting coed Yim Su-kyong and Father Mun Kyu-hyon and called for struggling to the end against their fascist offensive.

At the North Hamgyong Provincial mass rally the speakers said that by handcuffing Yim Su-kyong who had raised her hands high earnestly calling for national reunification the South Korean military fascists laid bare their ugly colour as elements seeking permanent division and fascist hangmen before history, the nation and the whole mankind.

They demanded that the puppet clique put an end to the reckless fascist persecution of coed Yim Su-kyong and Father Mun Kyu-hyon and intrigues against them, immediately release patriotic people and step down without delay.

At the Nampo municipal mass rally, the speakers declared that the South Korean military fascist clique's brutal suppression of Yim Su-kyong and her companion is one more expression of an unjustified act to monopolize North-South dialogue and part of their dirty schemes to stifle the popular masses' reunification movement, prolong the division of the country and realize their wild ambition for long term office. Saying that all the abnormal happenings in South Korea are attributable to the U.S. imperialists' occupation of South Korea and their colonial rule, they demanded that the U.S. imperialists stop instigating the South Korean puppets to fascism and division, give up their aggressive "two Koreas" policy and get out of South Korea at once.

The meetings expressed the hope that the youth and students and all other progressive peoples of the world would strongly denounce the South Korean fascist clique's persecution of Yim Su-kyong and her companion and extend full support and solidarity with the South Korean people in the just struggle for their release.

Paper Assesses Role of Nonaligned Movement

Article Stresses Peace Role

SK2108113589 *Pyongyang KCNA in English*
1001 GMT 21 Aug 89

[Text] Pyongyang August 21 (KCNA)—The Non-Aligned Movement at the present times is confronted with the urgent task to uproot the source of nuclear war and defend world peace and security, declares NODONG SINMUN Sunday.

The author of the article notes:

Dear Comrade Kim Chong-il said:

"All the anti-imperialist, independent forces should fight resolutely to check and frustrate the imperialists' frantic arms buildup and war preparations, abolish U.S. imperialists' military bases in other countries, withdraw the U.S. troops and nuclear weapons and other means of mass destruction, dissolve military blocs, create and expand nuclear-free, peace zones in many parts of the world and realize universal and complete disarmament."

Today, there still exists the danger of a new world war and a nuclear war despite the trend toward detente. This

is entirely attributable to the manoeuvres of aggression and war of the U.S. imperialists.

The obtaining situation demands that the non-aligned countries wage a broader and intensified struggle to thwart and frustrate the imperialists' policies of aggression and war and defend peace.

What is most important in this is for the non-aligned countries to wage a powerful struggle to terminate arms race and achieve a general and complete disarmament, particularly the complete elimination of nuclear weapons.

To prevent war and defend world peace and security the regional disputes must be settled. The regional disputes are a main cause of strained world situation and military confrontation and, furthermore, the growing danger of war.

The pressing issue awaiting solution in the world politics at present is the question of Korea where the danger of a new war is more serious than in any other areas.

The relaxation of the tension and guarantee of peace and security on the Korean peninsula is directly linked with improvement of the situation in the Asian-Pacific region and guarantee of world peace and security.

The occupation of South Korea by the U.S. imperialists is not only the main obstacle to the reunification of Korea but also a constant source of growing tension and danger of war on the peninsula.

The non-aligned countries have sharply denounced the occupation of South Korea by the U.S. imperialists and their new war provocation moves and strongly demanded an immediate withdrawal of the U.S. imperialist aggression forces and their nuclear weapons from South Korea for the reunification and peace of Korea. And they have fully supported and encouraged the proposals and efforts of the DPRK government to have the U.S. imperialist aggression forces withdrawn from South Korea and ensure a durable peace on the Korean peninsula and peacefully solve the reunification question of the country through dialogue and negotiation.

This solidarity of the non-aligned countries is a great encouragement to our people.

If the Non-Aligned Movement wages a powerful anti-war, anti-nuclear struggle for peace, strengthening the unity of its ranks and solidarity with other peace forces, it will make a greater contribution to the noble cause of the world people to build a peaceful new world without war and nuclear weapons.

DPRK 'Consistent' in Helping NAM

SK2708083889 *Pyongyang KCNA in English*
0828 GMT 27 Aug 89

[Text] Pyongyang August 27 (KCNA)—The government of our Republic will help further consolidate and develop the Non-Aligned Movement (NAM) in response to the

demand of the developing time and contribute to the common human cause of promoting the building of a peaceful and independent new world by bending every possible effort to see that the historic Ninth Non-Aligned Summit may satisfactorily carry out its work, declares NODONG SINMUN Sunday.

The signed article headlined "Efforts to Strengthen and Develop NAM—DPRK's Consistent Stand" reads in part:

The government of our Republic, a dignified member of NAM, has always regarded it as its noble duty to make every sincere effort for the strengthening and development of the movement and steadfastly maintained it as an important principle of its foreign policy.

If NAM is to fulfil its noble mission to the era and history by preserving its inherent features and increasing its force, it is essential for all the non-aligned countries to strictly adhere to its fundamental principles.

The non-aligned countries must firmly maintain their Chajusong. They must not follow any bloc nor be drawn by it and must curb the attempt to drag outside forces into the movement.

It is a main expedient of the imperialists in trying to split and disorganise this movement to attempt to smuggle their lackeys and vassal states into it or implant their influence in it in every way. Should outside forces of all hues be allowed into NAM, needless to say, the fundamental principle of this movement would shake and, in the long run, the movement would fall apart from within.

The present situation makes it incumbent upon us to decisively reject any attempt and pressure to distort the fundamental principle of NAM and drag outside forces into it.

The Workers' Party of Korea [WPK] and the DPRK Government maintain it as the invariable line of their foreign policy to steadfastly defend the fundamental principle of NAM and strengthen unity and cooperation with the non-aligned countries and are making all sincere efforts for the strengthening and development of the movement.

The WPK and the DPRK Government will in the future, too, carry on principled activities at international political rendezvous including the non-aligned summit, true to the idea and policy indicated by the great leader Comrade Kim Il-song, and thus make an active contribution to the strengthening and development of the movement and its unity.

New Semester Starts South Student Demonstrations

SK2608153689 *Pyongyang KCNA in English*
1507 GMT 26 Aug 89

[Text] Pyongyang August 26 (KCNA)—Some 1,400 students of University of Foreign Studies where Yim Su-kyong is registered and Seoul University Friday held

campus rallies and chanted the slogans "Yankee go home" and "Overthrow No Tae-u [no closing quotation marks as received] in the fierce anti-government demonstration in demand of an immediate release of Yim Su-kyong and repeal of "National Security Law", according to an AP report from Seoul.

About 400 students of University of Foreign Studies held a campus rally for welcoming the return of Yim Su-kyong and defending "National Trade Union of Teachers" (Chongyojo) and took to streets. Hurling firebombs and rocks, they fought tear gas-firing riot police for two hours.

1,000 odd students of Seoul University fought with about 800 riot police firing tear gas from two armored vans in streets demanding the release of Yim Su-kyong and the ouster of the traitor No Tae-u.

"Let's drive out the yankees to liberate our country," one student leader shouted in the heat of the demonstration. The crowd took up the call punching clenched fists into the air. Prior to this, they held a campus rally to declare a week of the march of the general student council and confirmed the immediate fighting goals including the rescue of Yim Su-kyong, the delegate of "Chondaehyop" [National Council of University Student Representatives].

No sooner had the students attended school with a new semester than they started a fierce struggle to rescue Yim Su-kyong, "flower of reunification", sending a tremor through the No Tae-u military fascist clique.

Cooperation Agreement Signed With UN Program

SK1608110189 *Pyongyang KCNA in English*
1035 GMT 16 Aug 89

[Text] Pyongyang August 16 (KCNA)—Cooperation between the Democratic People's Republic of Korea and the United Nations Development Programme [UNDP] on stevia processing [as received] was agreed upon here on August 14.

The UNDP will give assistance in the modernization of stevia processing [as received] technology.

The cooperation document was signed by Han Tae-hyok, an official concerned, and Carl Wiberg, resident representative of the UNDP.

Earlier, an agreement on mutual assistance in the computerization of trade information service was reached between the DPRK and the UNDP.

Slovak People's Uprising Anniversary Celebrated

Friendship Meeting Held

SK2508155889 *Pyongyang KCNA in English*
1516 GMT 25 Aug 89

[Text] Pyongyang August 25 (KCNA)—The Pyongyang Municipal Committee of the Workers' Party of Korea [WPK] and the Pyongyang Municipal Administration

and Economic Guidance Committee arranged a friendship meeting today on the occasion of the 45th anniversary of the Slovak people's uprising.

Czechoslovak ambassador to Korea Vaclav Herman and his embassy officials were invited to the meeting.

Present there were Choe Chang-gol, secretary of the Pyongyang Municipal Committee of the WPK, Sin An-pang, vice-chairman of the Pyongyang Municipal Administration and Economic Guidance Committee, and other officials concerned.

Speeches were made at the meeting which took place in a friendly atmosphere.

The attendants saw a Korean documentary film "The Great Leader Comrade Kim Il-song Visits Czechoslovakia at the Head of a Party and State Delegation."

Kim Ung-ho Addresses Meeting

*SK2908045689 Pyongyang KCNA in English
0428 GMT 29 Aug 89*

[Text] Pyongyang August 28 (KCNA)—A meeting took place here today to commemorate the 45th anniversary of the Slovak popular uprising.

Speaking at the meeting, Kim Ung-ho, vice-chairman of the State Commission of Science and Technology and chairman of the Korea-Czechoslovakia Friendship Association, referred to the significance of the historical Slovak popular uprising and the achievements made in Czechoslovakia after the liberation. Today the Czechoslovak people, he said, under the leadership of the Czechoslovak Communist Party (CCP) headed by respected Comrade Milos Jakes, are actively striving to carry through the socialist principles and accelerate socio-economic development in accordance with the strategic line advanced by the 17th Congress of the CCP and the decisions adopted at the recent plenary meetings of the party central committee, smashing the anti-socialist moves of the imperialists and their s.ooges.

The Korean people, he stated, extend firm solidarity with the peace initiatives and measures for arms reduction taken by the Czechoslovak party and government to solve the present international problems on the principles of equality and mutual security.

He stressed that the Korean people will always and stubbornly fight hand in hand with the fraternal Czechoslovak people on the road of the common struggle for the victory of the cause of peace and socialism against imperialism and resolutely struggle to defend socialism from the imperialists' accusation of every description. Speaking next, Vaclav Herman, Czechoslovak ambassador to Korea, said that the traditional friendship between Czechoslovakia and Korea has developed for scores of years.

He wished the fraternal Korean people greater success in the drive for capturing the gigantic goals of the Third

Seven-Year Plan and for the complete victory of socialism under the leadership of respected Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, and respected Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea.

Then, the attendants went round a photo exhibition on the 45th anniversary of the Slovak popular uprising.

Dailies Observe Anniversary

*SK2908060689 Pyongyang KCNA in English
0512 GMT 29 Aug 89*

[Text] Pyongyang August 29 (KCNA)—NODONG SINMUN and MINJU CHOSON today observe the 45th anniversary of the Slovak people's uprising.

In a signed article NODONG SINMUN says that after freeing themselves from the yoke of fascism, the fraternal Czechoslovak people have accelerated socialist progress, repulsing the manoeuvres of the class enemy within and without, so as to change their socio-political and economic position and build a socialist country.

It further says:

Now the fraternal Czechoslovak people are heightening vigilance against the criminal moves of the anti-socialist forces and striving to step up the social and economic development and bring socialism to further completion.

The Czechoslovak party and people have advanced such peace proposals as the establishment of a nuclear-free corridor and a zone free from chemical weapons in central Europe and creation of a zone of confidence, cooperation and good-neighbor relationship along the borderline between the Warsaw treaty nations and the NATO nations and have made efforts to put them into effect.

The Korean people fully support the Czechoslovak people in their struggle for building a developed socialist society and preserving peace and security in Europe and the rest of the world.

We sincerely wish the fraternal Czechoslovak people fresh success in their endeavours to implement the decisions of the 17th Congress of the Czechoslovak Communist Party and fulfil the present five-year plan.

A signed article of MINJU CHOSON says the blood shed by the anti-fascist liberation fighters and their exploits are still inspiring the Czechoslovak people in the worthwhile struggle for the future.

Plenary Meeting Held on Tasks of Women's Union

SK2508070689 *Pyongyang KCNA in English* 0536 GMT
25 Aug 89

[Text] Pyongyang August 25 (KCNA)—The 11th plenary meeting of the Central Committee of the Korean Democratic Women's Union (KDWU) was held here on August 23.

It discussed tasks of the KDWU organisations to carry through the May 18, 1989, teachings of the great leader President Kim Il-song.

Kang Chom-suk, secretary of the Central Committee of the KDWU, delivered a report, which was followed by speeches of many participants.

The reporter and speakers noted that on May 18, 1989, President Kim Il-song gave highly important teachings that working people's organisations should upgrade their independence and responsibility and work forcefully, further intensify education in the *chuche* idea, conduct various circle activities and mass political work among the unionists on an extensive scale and thus educate them in a revolutionary way.

The plenary meeting discussed problems arising in carrying through the teachings of President Kim Il-song including the problem of bringing women to have a good understanding of the principles of the *chuche* idea, the problem of conducting education in the party policy, the revolutionary traditions and socialist patriotism in a substantial manner.

A relevant working plan was adopted at the plenary meeting.

Struggle Against Imperialist Ideology Urged

SK3108054189 *Pyongyang Domestic Service in Korean*
2213 GMT 30 Aug 89

[NODONG SINMUN 31 August special article: "To Struggle Against the Ideological and Cultural Infiltration of Imperialism is an Important Guarantee for a Victorious Advance of the Revolution"]

[Text] The imperialist ideology and culture are reactionary and poisonous ideological elements that paralyze the people's revolutionary consciousness.

Today, the imperialists, while persistently clinging to wicked anticommunist and antisocialist maneuvers, are running riot more than ever to spread their rotten, reactionary, and poisonous ideological elements. Under such circumstances, to resolutely smash the crafty ideological and cultural infiltration of modern imperialism with revolutionary vigilance is a very important question in firmly arming the people with the revolutionary consciousness of the working class and in defending the revolutionary gains.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau, and secretary of the party Central

Committee, has noted: The imperialists and their lackeys are now noisily clamoring as if the capitalist society is a heaven of freedom and are leaving no stone unturned to expose the socialist countries to the wind of freedom.

The infiltration of the imperialist ideology and culture is an important means to execute their aggressive policy. To invade and plunder other countries is the indigenous nature and *modus vivendi* of the imperialists. In order to realize their wild aggressive ambitions, the imperialists openly cling to war maneuvers of using armed forces on the one hand, and adhere to the crafty ideological and cultural infiltration on the other hand.

The imperialists are spreading their decadent and reactionary ideology and culture wrapped in all sorts of embellished and ear-pleasing words and hypocritical phrases that are tempting to people. However, hidden in the wrapping materials is the dark tentacle of aggression aimed at eating away the people's sound ideology and consciousness and at undermining and subverting the socialist countries from within.

For this reason, if one lets himself be dyed with the imperialist ideology and culture without seeing the craftiness and reactionary nature of the infiltration of the imperialist ideology and culture, it will generate in the people individualism and egoism of noting nothing but money and a surrenderers' spirit of trying to compromise with imperialism, thereby causing the loss of the socialist gains that have been attained through the shedding of blood.

The struggle against the infiltration of the imperialist ideology and culture is a fierce class struggle between socialism and imperialism in the ideological field and is, therefore, no less significant than the struggle against the imperialists' undisguised maneuvers for an aggressive war.

To struggle against the ideological and cultural infiltration of imperialism is all the more important in view of the fact that the imperialists are now carrying out the anticommunist and antisocialist maneuvers very wickedly and persistently.

Today the main target of the imperialists' ideological and cultural infiltration is set on undermining the socialist countries. At present, the craftiness and viciousness of the imperialists' anticommunist and antisocialist maneuvers lies in the fact that the imperialists are now wickedly scheming to tarnish socialism and to undermine and subvert the socialist countries under the pretext of peace, advocacy of human rights, and freedom.

Modern imperialism is indeed a wicked destroyer of global peace, one that heinously tramples underfoot the genuine human rights of man, and the greatest oppressor of the people's freedom.

This notwithstanding, the imperialists are now foolishly scheming to impair the absolute superiority of socialism and stop the powerful march of the socialist cause by camouflaging their insidious nature as such and the

antipopular nature of the capitalist society and by claiming as if they were the defenders of freedom, peace, and human rights.

The imperialists are now craftily maneuvering to weaken the party's leadership in the socialist countries and to foster anarchy and confusion inside their society, while preaching the so-called bourgeois pluralism and multi-party system.

In essence, the so-called political pluralism touted by the imperialists is nothing but bourgeois sophistry to revive the reactionary classes and reactionary ideologies that have already been removed in the socialist countries. The pluralistic democratic society advocated by the imperialists is nothing but a sinister attempt by the imperialists to convert the socialist society into a non-working class society where the hostile elements are granted political freedom and rights.

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SK3108054189 *Pyongyang Domestic Service in Korean*
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Comrade Kim Chong-il, member of the Presidium of the Political Bureau, and secretary of the party Central Committee, has noted: The imperialists and their lackeys are now noisily clamoring as if the capitalist society is a heaven of freedom and are leaving no stone unturned to expose the socialist countries to the wind of freedom.

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To struggle against the ideological and cultural infiltration of imperialism is all the more important in view of the fact that the imperialists are now carrying out the anticommunist and antisocialist maneuvers very wickedly and persistently.

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The imperialists are now craftily maneuvering to weaken the party's leadership in the socialist countries and to foster anarchy and confusion inside their society, while preaching the so-called bourgeois pluralism and multi-party system.

In essence, the so-called political pluralism touted by the imperialists is nothing but bourgeois sophistry to revive the reactionary classes and reactionary ideologies that have already been removed in the socialist countries. The pluralistic democratic society advocated by the

imperialists is nothing but a sinister attempt by the imperialists to convert the socialist society into a non-working class society where the hostile elements are granted political freedom and rights.

Respecting and realizing the people's demands and views constitute an important issue in safeguarding the people's political interests and in realizing democratic politics. The socialist society correctly combines the interests of individuals and groups, realizes people's independent demands, and practically guarantees their creative ability to extensively come into bloom. In the socialist society in which the popular masses are the masters of society and everything serves the popular masses, the interests, demands, and aspiration of all members of the society are integrated into one, are thoroughly respected, and are firmly realized by the correct politics of the party and state of the working class.

In fact, a society in which all people's views and demands alike can be realized is only the socialist society in which the popular masses become the masters and in which the exploiting class has been liquidated. In other words, the socialist society is the only society in which all people's views and demands can be realized.

This notwithstanding, the imperialists, while advertising the capitalist society as if it were precisely such an ideal society, are frantically running amok to implant bourgeois pluralism in socialist countries. This is nothing but a foolish attempt to create the retrogression of the socialist society, running counter to the inevitability of the development of history.

It is only too evident that in the capitalist society in which hostile class relations and class struggle exist, the popular masses' interests and demands have been completely trampled underfoot and obliterated and only the interests of the capitalist class are unilaterally guaranteed. The aim of the imperialists' tenacious clinging to the advertisement of their bourgeois pluralism is to ideologically disarm the people who are carrying out the revolution and to destroy and break up socialist countries by preventing the people from distinguishing the essential differences between socialism and capitalism and by leading them to forget the principles of class struggle.

For communists, there exists no super-class stand separated from the revolutionary principle of the working class in observing and distinguishing all problems. The revolutionary stand of the working class is precisely the life of communists. Therefore, apart from the revolutionary stand the problem of defending the principle of socialism cannot be contemplated. From the viewpoint of the stand of the working class, the political pluralism that the imperialists have sought is nothing but a sinister plot designed to open a road through which reactionary elements and reactionary ideologies can be infiltrated into the socialist society under the guise of respecting people's various and multiple views.

The imperialists have cunningly schemed to implant the bourgeois multiparty system into socialist countries

under the deceptive signboard of democracy. The reactionary essence of the bourgeois multiparty system that the imperialists are attempting to implant today is to eliminate the revolutionary character of the parties of the working class in socialist countries, to make the parties enervated parties like the so-called political parties established in the capitalist society which compete with each other merely to collect their supporting votes in the elections, and to make the socialist society a chaotic society with a state of anarchy where reactionary elements wriggle.

Firmly guaranteeing the party's leading position and strengthening its leading function in the socialist society is a basic problem which determines the destiny of the socialist and communist construction. In the socialist society the party of the working class is as precious as life. Without the revolutionary party of the working class, the socialist and communist society cannot be built nor can the socialist cause be defended. Therefore, in their maneuvers against socialist countries the imperialists are stretching out the arrow of their main offensive to weakening the party's leading role in socialist countries.

Under such circumstances, it is very significant to resolutely smash and reject, with a revolutionary vigilance, the attempt of the imperialists to weaken the leadership role of the party of the working class in the socialist countries and make the hostile forces gain power under the pretext of the bourgeois multiparty system.

The enemies' maneuvers are being exposed and smashed thanks to the socialist countries' strong struggle.

The Romanian Communist Party is now branding and denouncing the multiparty system, which the bourgeoisie attempt to implant in the socialist countries, as reactionary slogans being spread by the reactionary sectors in the capitalist countries who are seeking to remove the communist parties. Various other socialist countries oppose and reject the bourgeois multiparty system and pluralism, defend the purity of socialism, and firmly safeguard the principle of the party's leadership.

No force on earth can impair the pulling power of socialism and the invincibility of the party of the working class.

Also, the imperialists are now wickedly maneuvering to expose the socialist countries to the wind of bourgeois freedom. They are running riot to spread a reactionary current of thoughts that socialism is inferior to capitalism by artificially impairing the superiority of socialist society.

As has been noted by the dear Comrade Kim Chong-il, a comparison shows that there is so vast a difference between life in the socialist society where the popular masses, the masters of the state and society, fully enjoy an independent and creative living, and life in the capitalist society where the people, becoming slaves to money, pursue only personal pleasure.

The yardstick of measuring the progressiveness and superiority of the socialist system lies in how firmly the society in question guarantees the independence of the working masses. When material wealth in a society infringes upon the people's independence and becomes the source of all social ills, no matter how great it may be in terms of quantity, such a society is destined to become corrupt and reactionary. There is no other way.

The goal behind the imperialists' advertisement of depicting the capitalist society as a society of public welfare for all as well as a society where all men are equal is to camouflage the reactionary nature of the capitalist society by tempting the people with such deceptive things as some superficially luxurious aspects of capitalists, human rights, and freedom and by confusing their reasoning ability.

Under no circumstances can the imperialists hide the antiquated and rotten nature of the capitalist society which cripples the people spiritually and physically, allows all forms of social ills take the stage, and produces a tragedy of the rich-getting-richer and the poor-getting-poorer, no matter how they embellish and beautify it.

The imperialists are now spreading sophistry words to beautify and embellish capitalism, while running riot to expose the socialist countries to the wind of bourgeois freedom. Recently, Bush, the caudillo of the U.S. imperialists, babbled that a society that he envisions is a world of the so-called free countries and then outrageously uttered that the United States will play a so-called constructive role in implanting bourgeois pluralism and freedom in the socialist countries.

This indicates that the imperialists' reactionary offensive against the socialist countries has reached a very serious stage and that, therefore, the people engaged in the revolution should struggle against the reactionary current of thoughts espoused by the imperialists more vigorously than ever.

In particular, the United States, while speaking highly of the fact that countries like Hungary have allowed in bourgeois freedom and democracy and legalized the activity of the reactionaries, is now trying every means to let in more of the bourgeois wind into these countries.

Under such circumstances, if people slacken their revolution-mindedness and allow the rotten bourgeois way of life and Yankee [preceding word in English]-style mode of living, the people's revolutionary consciousness and patriotism will be diluted without their being able to know it and will give rise to mammonism, an extreme form of individualism and egoism, and all kinds of corruptions. If and when this happens, no doubt the socialist gains obtained through blood-shedding will be endangered. Herein lies the reactionary nature of the bourgeois freedom that the imperialists are persistently trying to spread.

Our people take great pride in living under the most advanced socialist system where a superior socialist

democracy is practiced and are resolutely smashing the maneuvers of the imperialists.

The imperialists' frantic anticommunist and antisocialist maneuvers and ideological and cultural infiltration is an expression of a sense of crisis that the imperialists feel in the face of doom as well as the last-hour wriggling.

Remembering well the inevitable demise of imperialism, we will thoroughly smash the imperialists' ideological and cultural infiltration and vigorously demonstrate the absolute superiority of the socialist system in our country.

Editorial Urges Full-Capacity Operation of Plants

SK3008114389 *Pyongyang Domestic Service in Korean*
2218 GMT 25 Aug 89

[NODONG SINMUN 26 August editorial: "Let Us Regularize Production at High Level by Operating Existing Plants at Full Capacity"]

[Text] Our people are now vigorously accelerating the grand march movement of socialism to glorify this year, the last year of the 1980's, as a historic year of victory. One of the important problems in today's general march to successfully fulfill this year's national economic plan and to expedite the fulfillment of the Third 7-Year Plan is to regularize production at a high level by operating existing plants at full capacity.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the party Central Committee, has indicated: We should launch a movement of operating plants and enterprises at full capacity.

Operating existing plants at full capacity is an urgent requirement, which arises in successfully fulfilling this year's plan by effectively utilizing the already provided production foundation and, thus, in more rapidly accelerating socialist construction. This year is the third year of the Third 7-Year Plan and the last year of the eighties. We should significantly glorify this year as a historic year of victory by effecting a great revolutionary upsurge in all fields of production and construction.

The great potential, which makes it possible to successfully carry out the vast task that has been assigned to us this year and, thus, to effect progress and leaps in socialist construction, lies precisely in epochally increasing production by operating existing plants at full capacity. Our people have already built a mighty production foundation in the fields of the heavy industry, the light industry, and agriculture by displaying the spirit of self-reliance and fortitude in the past period under the wise leadership of our party.

This is a noble result produced by the basic line of our party's economic construction, which adheres to developing the light industry in parallel with agriculture while giving priority to the development of the heavy industry.

Operating existing plants at full capacity is a very important task not only to successfully carry out this year's plan by effectively utilizing this gigantic and mighty production foundation, but also to expedite the complete victory of socialism by accelerating the fulfillment of the Third 7-Year Plan.

Recently, the great leader Comrade Kim Il-song, stressing that operating existing plants at full capacity is very important, has taught the need to vigorously wage this task. All functionaries and the working people should correctly realize that the important guarantee that makes it possible to achieve a high increase in production without laying out a large scale of efforts and assets, and consequently making our people live better, lies precisely in operating existing plants at full capacity, and they should vigorously launch this struggle.

What is more important than anything else in operating existing plants at full capacity is for functionaries and the working people to aggressively carry out this work with a high sense of responsibility that it is precisely a revolutionary task assigned to them. The master of a plant is none other than those functionaries and the working people who work at the plant. Increasing production by operating existing plants at full capacity is a revolutionary task for which functionaries and the working people at the respective units should bear responsibility before the party and the revolution.

All functionaries and the working people should make all possible efforts to operate all facilities at full capacity with the firm attitude of bearing responsibility for their assigned revolutionary tasks thoroughly and to the end. The basis for this is for them to follow the model of loyalty to the party demonstrated by the working class of Naggwon. Even with their bare hands the working class of Naggwon unconditionally manufactured water pumps and cranes, when the party instructed them to do so. When they received instructions from the party, the working class of Naggwon carried out the instructions to the end under all difficult circumstances.

In the struggle to operate existing plants at full capacity today, our party wants functionaries and the working people to struggle as the working class of Naggwon did. All functionaries and the working people should emulate the struggle traits displayed by the working class of Naggwon and, with the firm spirit of unconditionally implementing the party's intent, should create the conditions by themselves under which they can operate all facilities at full capacity. Thereby, they should regularize production at a high level. Guiding functionaries, in particular, should highly display such a spirit.

The problem of operating existing plants at full capacity depends greatly upon how guiding functionaries work. Functionaries of all sectors and units of the national economy, ranging from committees and ministries of the State Administration Council to plants and enterprises, should scientifically plan and coordinate their management activities, including facility management and

material management, according to the demands of the Taean work system, with the firm determination to thoroughly implement the party's demands with regard to operating plants at full capacity under all circumstances. Thus, they should carry out their assigned production quotas at a high level by day, by 10-day period, and by month.

Properly carrying out supply work is a prerequisite to operating existing plants at full capacity. The revolutionary zeal of party members and the working people to effect upsurges in production in response to the party's militant appeal is now very high. Success in operating facilities at full capacity and in production greatly depend upon how properly party members and the working people carry out their supply work, including the supply of fuel, power, and transportation.

The sectors and units that are responsible for supply work, including committees and ministries concerned of the State Administration Council and other materials supply firms, should establish measures to improve their supply work in a revolutionary manner. What is important here is the role of advanced industrial sectors.

Functionaries and the working people in the sectors of the extractive industry, the electric power industry, and transportation should deeply realize the importance of their duties in operating plants at full capacity and should make efforts to increase production. Thus, they should smoothly guarantee the supply of fuel, power, and transportation for plants and enterprises. In particular, what is urgently required in various sectors of the national economy is electric power. The electric power industry sector should smoothly meet the increasing electric power demands by utilizing existing electric power production capability to the maximum and by vigorously accelerating the construction of power plants.

Carrying out supply work according to plan and contract is the important demand of the party's policy. The socialist economy is a planned economy. Therefore, supply work cannot exist without plans and contracts. All sectors and units of the national economy should firmly grasp supply work and should establish the strict discipline of thoroughly supplying raw materials, fuel, materials, and electric power according to plans and contracts. In particular, a contract for supplying materials to complexes should be made correctly, and regarding the party's demands for supplying to the units—with which contracts are made—no more than and no less than the amount that has been contracted should be thoroughly implemented.

In regularizing production at a high level by operating existing plants at full capacity, it is important to mobilize inner reserves and to strengthen an economization struggle. All sectors of the national economy should actively locate inner reserves and vigorously wage the struggle to operate facilities with existing materials and labor efforts. In particular, plants and enterprises should not waste efforts in merely trying to receive as many raw

materials, materials, and as much electric power as possible but should increase production with less amount of electric power, raw materials, fuel, and materials by mobilizing inner reserves to the maximum, by actively carrying out a technological innovation campaign, and by actively introducing reasonable production methods.

Increasing production by operating existing plants can be successfully carried out only through active political and organizational work in party organizations of all levels. Party organizations of all sectors and units of the national economy should explain the great leader Comrade Kim Il-song's recent teaching with regard to operating existing plants at full capacity deep among the masses of producers and should actively encourage them to implement the teaching. Thus, party organizations of all sectors and units of the national economy should see to it that the masses of producers fully demonstrate their revolutionary zeal and creative ability with their single heart of loyalty to the party and the leader.

Party organizations at plants and enterprises should grasp this work as their party committee-wide work and should establish revolutionary measures to operate existing plants at full capacity. Along with this, the party organizations should vigorously back up functionaries so that they can organize and command this work in a substantial manner. By so doing, we can regularize production at a high level by operating plants and enterprises at full capacity and, consequently, an epochal turn can be effected in the fulfillment of this year's plan and in socialist economic construction.

South Korea

Announcement on Resuming North-South Dialogue

Premier Chairs Ministers Meeting

SK3108001189 Seoul Domestic Service in Korean
2200 GMT 30 Aug 89

[Text] The government held a meeting of ministers related to the issues of North-South dialogue, chaired by Prime Minister Kang Yong-hun, at the prime minister's official residence in Samchong-tong yesterday. The government decided to resume North-South dialogue in mid-September when a new plan of reunification is expected to be issued and to notify the North Korean side about this soon.

In the meeting attended by the ministers of related ministries and offices of the foreign affairs, unification board, health and social affairs, national defense, and others, the government agreed to resume parliamentary talks, Red Cross talks, and sports talks which have been suspended due to a series of secret visits to the North.

It has been learned that the date of resuming North-South dialogue will be set sometime after mid-September, when a new reunification plan is expected to

be announced by the president after the National Assembly hearings are held on the new reunification plan on 31 August and 1 September.

Because the North Korean side proposed to hold working-level Red Cross contacts for home visits of separated families on 6 September, the government decided at the meeting to notify the North Korean side of such a government policy within 2 or 3 days at the earliest.

Further on Resumption of Talks

SK3108022389 Seoul YONHAP in English 0218 GMT
31 Aug 89

[Text] Seoul, Aug. 31 (YONHAP)—South Korea is likely to ask North Korea to delay resuming Red Cross contacts until late September, and will soon unveil proposals for getting other forms of dialogue that have been suspended back on track, officials said after a ministerial meeting Wednesday.

The officials said it was decided to wait for the North's attitude to change toward dialogue and for the conclusion of the case against Yim Su-kyong, a student who has been charged under the National Security Law for visiting Pyongyang, before returning to the table to prepare for sports, political and military talks, and parliamentary talks between the two Koreas.

Wednesday's meeting was chaired by Prime Minister Kang Yong-hun and among the attendants were Foreign Minister Choe Ho-chung, National Unification Minister Yi Hong-ku, Sports Minister Kim Chip, First State Minister for Political Affairs Pak Chol-on, and Director of the Agency for National Security Planning So Tong-kwon.

All levels of inter-Korean talks have been frozen since April, when dissident pastor Mun Ik-hwan defied a government ban to visit North Korea. North Korea recently offered to resume Red Cross meeting on Sept. 6.

In its reply to Pyongyang on Sept. 4, Seoul is likely to propose that the Red Cross meeting be delayed until late September and that North Korea stop political maneuvers such as inviting South Koreans to the North.

Daily Urges Restoration of 'Productive Politics'

SK3008005789 Seoul THE KOREA HERALD
in English 30 Aug 89 p 8

[Editorial: "Restoration of Politics"]

[Text] The long summer of political holiday is about to end. In a couple of weeks the National Assembly will convene its regular session to act upon the budget plan for fiscal 1990 and a number of pending bills. Preparatory to the legislative session contacts among the floor leaders of the four political parties have begun this week.

It has for some time been said that Korean politics were "missing." The statement suggests that government administration and "curb" politics resorting to wild

protest of pressure groups and street battles have taken over the arena that should be properly contested by political parties through legitimate legislative and political processes.

The existing parties are largely to blame for the distortion and abnormality because they deserted the scene and contented themselves with letting the extras run the show, looking for unearned gains from the efforts of others.

The nation's political picture features a four party system with three of them pitted in opposition against the government party. It is possible and sometimes desirable for the opposition parties to act in a league to check the ruling party. But the feasibility and necessity of such a permanent opposition coalition is also questioned.

Lately, division is emerging in the opposition ranks. This is in a way natural in terms of their respective ideological orientations and power bases even though polarization and extreme internal feuds in the political community should be avoided.

Taking care of the aftermath of the Kwangju incident and irregularities committed under the previous administration still looms high in the agenda. This onerous job ought to be finished soon to set our political parties free from the preoccupation with the untoward past so they may work for the future.

The handling of the succession of unapproved visits of some dissidents to North Korea and their subversive activity, followed by the indictment of the head of the Party for Peace and Democracy Kim Tae-chung in the same connection, remains a major challenge. These cases should be dealt with strictly in accordance with law without undue politicization by either side.

The questions of the teachers' trade union and the proposed legislation for greater restriction of land ownership and heavier taxation on real estate call for immediate solution as they are the acute bone of contention troubling this society today.

All political parties and lawmakers must take to immediate dialogue and cooperation for the restoration of productive politics.

Soviet Military Buildup in Asia Warned Against

*SK3008105489 Seoul CHOSON ILBO in Korean
30 Aug 89 p 2*

[Editorial: "Let Us Have a Correct Understanding About the Soviet Armed Forces"]

[Text] It has been revealed that the Soviet Union has continued military buildup on an enormous scale contrary to General Secretary Gorbachev's promise to reduce the Soviet Far East troops. According to the 1989 defense white paper reported by the Japanese paper SANKEI SHIMBUN, 60 percent of the Soviet Far East

Armed Forces, both ground and air defense troops, are deployed en masse in Primorskiy region close to the Korean peninsula.

The Soviet Far East forces command located in Khavarsk, a city now frequently visited by many Korean people, has under its control 22 motorized rifle divisions specialized in surprise blitzkrieg warfare, of which the Soviet Union is so proud, and 2 tank divisions. Of these, 12 divisions are reportedly deployed in the Primorskiy Kray. In the case of air defense troops, about 80 percent of 2,100 aircraft based in the Soviet Far East are deployed en masse in this district. As recently as a year ago, the Su-24 was the most modern aircraft in the possession of the Soviet Air Defense Force in the Far East, which has 1,510 fighters as its mainstay, but now it has the Su-27, the fourth generation of its kind, as its mainstay, according to the defense white paper.

Nuclear-powered submarines carrying sea-launched cruise missiles and a new type of destroyers have also been increased in terms of quality, according to the defense white paper. Up until a few years ago, there were only 28 nuclear-powered submarines of that class and a total of 310 small- and medium-size battle ships in the Soviet Far East forces, but now these seem to have been replaced with new destroyers.

In addition, we know that the Soviet Union has deployed between 180 and 144 SS-20 missiles, with a range of 5,000 km, in the Far East region. The SS-20 missiles, equipped with three 1,500-kiloton warheads capable of killing 1 million people, ones that are deployed in the Far Eastern region, are not even included in the U.S.-Soviet treaty on the abolition of the INF signed last year.

This sharpens our awareness of the fact that we are living in close quarters of a powder keg, and nobody is certain when it will go off. Every year Japan publishes the defense white paper containing defense specialists' analysis and assessment of all available data for Japan's own strategic goals. For this reason, it may seem to have nothing to do with us directly. Also, there are some who believe that Japan tends to exaggerate in its estimation of Soviet military power for an increase in defense expenditures.

Even after taking all these facts into account, we cannot help paying attention to the changes effected in the Soviet Far Eastern Armed Forces and their purposes. Being completely indifferent to such movements by the Soviet Armed Forces, some believe that the presence of U.S. troops stationed in Korea poses a threat to peace on the Korean peninsula and serves as a stumbling block to reunification. This is a perception as wrong as placing the cart before the horse. Such a slanted perception can be rectified if one pays even a modicum of attention to the geopolitical and strategic position of the Korean peninsula. Since an unknown time in the past, our country has historically suffered from invasions from the north and south. Nevertheless, our country has survived the aggressions of outside forces thanks to the unified will of the people.

At the turn of this century, however, we fell victims to Russia's eastward march and Japan's strategy toward the Asian Continent. In a bid to realize a dream it had failed to attain in the old days, the Soviet Union is now closing in on the Korean peninsula with a stick-and-carrot strategy. By playing the role of a guide for this formidable continental force, North Korea invited the U.S. intervention, which resulted in the stationing of U.S. troops in the ROK. Today, when the U.S. troops show signs of pulling out of Korea in 5 to 6 years' time, the Soviet Union and North Korea are speeding up their military buildup.

Those responsible for our country's northern policy should pay attention to this. If it is practically impossible for us to have a collective security system with countries sharing the same culture, philosophy, way of thinking, and life style, as in the case of NATO, the only option left for us is to harden our internal unity like Switzerland and Austria. National strategy must face a harsh reality: It cannot satisfy both the collective security system and internal national unity.

Continued Balance of Power Urged

SK3108030489 Seoul THE KOREA HERALD
in English 31 Aug 89 p 8

[Editorial: "Power Balance in East Asia"]

[Text] Soviet foreign policy has always been double-edged. It has been Moscow's wont to speak of peace and arms reduction while not slackening its military buildup. Rival powers and neighbors of the Soviet Union had better not lose sight of the cutting edge of the strategy hidden behind its favorite peace offensive.

A reminder of this potential threat of Soviet military power came recently from Japan. The annual defense white paper prepared by the Tokyo government to be published in September accentuates a substantial, qualitative strengthening of Soviet military presence in the Far East.

The official report noted that no basic change has come about in the state of the military confrontation between the East and the West in spite of the apparent reorientation of the Kremlin's foreign and military policies toward openness detente, disarmament and disengagement in the past couple of years.

It points out that concentrated deployment of Soviet ground and air forces has continued in areas around Japan including Sakhalin and the Kamchatka Peninsula. Soviet President Gorbachev's proposal made earlier this year for cutting its troops in the Far East by 120,000 remains questionable, according to the white paper.

Moreover, a plan to reduce 57 naval craft of the Soviet Pacific Fleet would amount to little as most of them are decrepit enough to be inoperable anyway or are small vessels of negligible tonnage and capability.

It might well be concluded from the Japanese findings that the Soviets are hardly ready to match their words with deeds as far as military might goes. Hasty and unilateral response of the West to Soviet lip service to ending the arms race and pursuing peace has to be given a second thought.

The balance of power in and around the Korean Peninsula ought to be weighed and preserved in light of the stark reality involving the vast arsenals of the Soviet Union and the aggressiveness of north Korea that draws heavily upon Soviet supplies and encouragement.

The Republic of Korea and the United States need to adhere to their bilateral alliance with positive support from their allies and friends nearby to maintain the security of Northeast Asia and the Western Pacific on the basis of a solid balance of power. In this connection, it is revealing that an overwhelming majority of Koreans (94 percent) favor the continued American military presence here for the time being until conditions become ripe for its removal. The outcome of the latest opinion poll underscores the value of strong defense until all causes of instability disappear.

DJP Leadership Reshuffle Involves Key Posts

Opposition Reaction 'Negative'

SK3008121289 Seoul YONHAP in English 1201 GMT
30 Aug 89

[Text] Seoul, Aug. 30 (YONHAP)—President No Tae-u Wednesday reshuffled three of the five key posts of the ruling Democratic Justice Party (DJP) in a move apparently aimed at strengthening his grip on the party.

The reshuffle came in a few hours after party Chairman Pak Chun-kyu and eight other office-holders submitted their resignations to No to clear the way for him to revamp the party's leadership. The ruling party had been locked up with a factional dispute after party Secretary-General Yi Chong-chan openly called for "democratic reforms" inside the party.

No retained party Chairman Pak, policy committee chairman Yi Sung-yun but replaced three other key posts with his close aides, naming Nam Chae-hui Central Committee chairman, Yi Chun-ku secretary general, Yi Han-tong floor leader.

Yi Chong-chan, a moderate who had reportedly been the principal target of attacks from a leading faction in the course of the latest intraparty disturbance, was dropped from the lineup. Kim Yun-hwan, a leading figure of the party's mainstream faction, better known as "T-K," [Taegu-Kyongbuk] was dismissed from the post of floor leader.

What draws particular attention in the reshuffle is the return of Yi Chun-ku and Yi Han-tong to the party leadership. The two Yi's, both regarded as hard-liners,

served as close aides to No when he headed the party as party chairman during former President Chon Tu-hwan's era.

Yi Chun-ku, a soldier-turned-politician, worked as No's election campaign manager and then chairman of the preparatory committee for No's presidential inauguration. Yi Han-tong also aided No as floor leader of the party in 1986 when the latter was heading the party as chairman.

No named Kim Chin-chae secretary to the party president.

Opposition parties, meanwhile, expressed negative responses to the reshuffle but hoped that the shakeup of the DJP's key posts may contribute to the promotion of dialogues between the ruling and opposition camps.

The leading opposition Party for Peace and Democracy said it could not find anything new in the reshuffle. The Reunification Democratic Party said it received the DJP's reshuffle with "shock and dismay" at the return of Yi Chun-ku and Yi Han-tong.

Taegu-Kyongbuk Faction Gains

SK3108032689 *Seoul THE KOREA HERALD*
in English 31 Aug 89 p 2

[News analysis by staff reporter Sim Yong-su: "New DJP Shakeup Signals Return to No's Hardline"]

[Text] The shakeup of key ruling party officials yesterday was seen by many as a "blitzkrieg" to remove Yi Chong-chan, the selfnamed opposition voice inside the ruling camp, from the powerful secretary-general post, using as a pretext his recent remarks critical of party policy.

Yet Yi's removal had been carefully predicted since last week when he, in his latest challenge to the party leadership, called for bolder internal democratic reforms, implying that the party leadership lacked the will to conduct reforms.

Yi's remarks must have been taken as an unbearable insult to the party leadership, particularly party president, President No Tae-u, who took power by promising full democracy inside and outside the party.

What further antagonized No and his TK clan, the main faction of the ruling party, was Yi's demand that key party posts should be filled through election instead of appointment by No.

His relations with the TK faction went to the point of no return when Yi, also rejected as premature the realignment of the current four-party system and a cabinet government system proposed by Chairman Pak Chun-kyu, a senior TK member.

With Yi's removal from the party hierarchy, the long-rumored power play between the TK and other members ended in an arguably one-sided victory by the TK, the breeding ground of the republic's presidents.

The TK means politicians and bureaucrats from Taegu and adjacent southeastern Kyongsang province, the home province of No and his two predecessors Chon Tu-hwan and Pak Chong-hui.

Being deprived of his post, Yi now has been reduced to a plain party lawmaker, putting his ambition for the post-No era much in question.

Yi might have suffered a setback in a short-term perspective, political analysts said, but he may gain more in the long term.

The analysts said that Yi's removal may have strengthened his carefully-cultivated popular image as a "genuine opposition voice in the ruling camp" and a true democratic campaigner.

Such an improved image may help when he stages an expected uphill battle to win the party's nomination for the next presidential election expected in late 1992 or early 1993.

Without being tied to a key party post, Yi may feel freer to start his campaign for 1993 in earnest, other political watchers said.

More surprising was replacement of Kim Yun-hwan, a core TK member and one of No's most-trusted aides as the party floor leader, the main channel of dialogue with opposition parties.

A general observation was that Kim was removed only to allay a popular impression that the shakeup was only aimed at Yi who has often embarrassed party leadership with open, critical remarks.

In view of No's trust in Kim and Kim's popularity, analysts said, Kim can make a comeback anytime.

Many party officials say that at the next shakeup, Kim may be given a more important post, such as that held by Yi.

But the chance of Yi's comeback is slim, they said, as long as Yi holds his ambition for the post-No era, in view of his rivalry with the TK group which is determined to produce the next president.

Reinforcing the speculation that the reshuffle yesterday was only to eliminate Yi, the party chairman Pak and the party spokesman Pak Hui-tae, both TK members, were retained. Also untouched was the chief policy-maker Yi Sung-yun, the No. 3 post in the complex ruling party hierarchy.

No, replacing the key party posts, tried with little success to dispel the popular impression that the shakeup was a power play by emphasizing:

"Any faction should not be allowed to exist in the party, whether built around an alma mater, home province or blood kinship. If a faction exist, it should be resolutely eliminated."

With the shakeup, analysts said, No's grip on the ruling party will further strengthen, noting that Yi and Kim's replacements are No's most-trusted aides.

The new secretary-general Yi Chun-ku won No's unshakable confidence when he played a decisive role in No's victory in the 1987 presidential election by leading his election campaign.

Reflecting No's trust in him, Yi headed No's inauguration preparatory committee to smooth the republic's first peaceful transfer of power.

A retired one-star Army general and known as one of the most powerful figures in the No government, Yi worked long with No before No became president.

When No was home minister, Yi was vice home minister. When No was the ruling party chairman, Yi was party secretary-general.

The hardly-smiling, taciturn Yi has been reputed for being clean in both his private and public life, which earned him the nickname, "razor."

Yi Han-tong, appointment as party floor leader also somewhat defied general expectation, in view of the fact that he once served as the party secretary-general, a post much higher in the party hierarchy than floor leader.

Yi may be the best possible alternative to Kim Yun-hwan as floor-leader in view of Yi's wide friendship with opposition politicians attributed to his extraordinary "broad-mindedness."

Yi entered politics with birth of the Fifth Republic, ending his career life as prosecutor and judge. During the rule of ex-President Chon, Yi held such key government and party posts as home minister, the party's secretary-general and chief policy-maker.

He was so intolerant with injustice during his career as prosecutor that he won the nickname, "sword."

The appointing of the two Yi's also signaled that the ruling party will not loosen its hardline policy against the opposition and dissidents, analysts said.

The two Yi's have long reputations as the leading hardliners of the No government.

By removing Yi Chong-chan, analysts said, the TK has eliminated a big obstacle to its bid to produce the next party candidate for the presidential election.

An avowed presidential aspirant, Yi has long been regarded by the TKs as a tough rival for the next presidential race, because of his broad popularity base.

Some described removal of Yi as "nipping in the bud a potential rival."

The reshuffle yesterday resembled a well designed military operation in that it was carried out while Yi was on a provincial tour.

When key party officials tendered resignation en masse yesterday morning at the proposal of outgoing floor leader Kim Yun-hwan, Yi was on a flight from Seoul to Kwangju to attend two local party chapter rallies there.

When Yi arrived at a local party office in Kwangju around 9:30 a.m. he got a phone call from the party chairman asking him to follow the others and resign.

Ousted Secretary Yi Repeats Call for DJP Reform

SK3108024689 Seoul THE KOREA TIMES in English
31 Aug 89 p 2

[By staff reporter Sin Hak-nim]

[Text] Kwangju—Outgoing DJP [Democratic Justice Party] Secretary General Yi Chong-chan yesterday reiterated his call for party reform to meet with the people's demands for democratic reform under stability.

Citing recent political developments toward democracy in Eastern bloc countries including Polish Solidarity's taking power, Yi asserted that "our party should positively promote its reform to effectively cope with the changing situation outside the party."

The Democratic Justice Party secretary general made the remarks in a meeting with reporters yesterday. He was here to attend rallies of two local chapters in this southwestern city.

Yi did not elaborate on his remarks on "democratic" reform in party operation but they were interpreted as a call for the introduction of a competitive vote for the election of vice party presidents and other key officers.

"Eastern bloc countries are undergoing democratic reform and it had never been dreamed of before that the Japanese ruling Liberal Democratic Party's decades-long grip on power would be swayed," said the 53-year-old three-term lawmaker.

He went on, "Such undreamed-of changes outside the country are having an impact upon domestic politics." He then referred to junior lawmakers' call for reform in a caucus of Kim Yong-sam's Reunification Democratic Party on Tuesday.

"It is my firm belief that momentum for the reform of the party should be sought in the process of local chapter rallies and the upcoming national convention," said Yi.

He made it clear that he had not the slightest intention to withdraw the remarks he made to a fraternity group commemorating the late independence leader An Chang-ho last week.

At that time, he asserted that it is premature for the government party to promote the parliamentary cabinet system to replace the presidential system and achieve political realignment.

Yi's remarks triggered strong repercussions from the mainstreamer T-K (Taegu-Kyongbuk) faction, apparently leading to a major confrontation with chairman Pak Chun-kyu. The key officers decided in the morning to tender their resignations en masse to President No Tae-u so that he may have free hand in the choice of a new lineup for the party leadership. No is also president of the DJP.

"The current four political parties, gaining their strength from regional strongholds, should be regrouped. And, the prolongation of the four-party system must be prevented," said Yi.

RDP Lawmakers Call for Merger With PPD

RDP 'Internal Rift' Cited

SK3008014589 Seoul THE KOREA TIMES in English
30 Aug 89 p 2

[By staff reporter Pyon Chang-sop]

[Text] The opposition Reunification Democratic Party [RDP] led by Kim Yong-sam is undergoing an internal rift as a result of the recent shake-up of key party posts including the party's floor leader, coupled with an unusual call for a merger with the Party for Peace and Democracy [PPD].

RDP lawmakers yesterday held an emergency caucus at the National Assembly to renew their determination following the humiliating defeat in the recent by-election in Yongdungpo and strike a consensus on party affairs.

During the 120-minute session, some speakers blamed the party leader for the "ill-advised" reshuffle, and others called for more democracy in the way party affairs are handled.

In particular, former floor leader Choe Hyong-u went out of his way to explain the urgency of the merger of the two main opposition groups, drawing keen concern.

Going one step further, Rep. Chang Sok-hwa proposed an intrapartisan committee for promotion of the two-party merger.

Yesterday's caucus was dominated by the vocal complaints about party leader Kim's appointments of vice presidents Yi Ki-taek Kim Tong-yong as floor leader and secretary general, respectively.

Rep. Chong Sang-ku even described the appointments of the political heavyweights as a reinforcement of party leader Kim's "dictatorial style." Reps. Chang Sok-hwa and Pak Yong-man demanded that the boss relieve the two appointees of their vice presidencies.

Others, though they supported the appointments with reluctance, called for more attention to the restoration of solidarity of the three opposition political parties.

Reps. Sin Sang-u and Kim Chong-kil pressed the party to bury the hatchet with the largest opposition PPD led by Kim Tae-chung, which has been dogged by the protracted "spy" scandal involving Rep. So Kyong-won who visited North Korea as a PPD lawmaker.

Kim Yong-sam's RDP and the minority opposition New Democratic Republican Party led by Kim Chong-pil tried to distance themselves from the PPD affair, knowing the public opinion was running high against the spy scandal.

In the heated debate, former floor leader Choe Hyong-u said, "This (the merger) is the only and the last gift we oppositionists can deliver to the people because without it, we can never be sure of victory in the next presidential election in 1992," Choe intoned.

Rep. Chang, who proposed the merger promotion body, said that the immediate concern following the merger will be to field candidates under a one-party banner in the upcoming local council elections next year.

New party whip Yi dismissed such demands as "undesirable," saying that thing will depend on how well the RDP and PPD can cooperate.

"It is far from desirable to talk of the two parties' merger at this time," Yi stressed.

Nonetheless, meeting with reporters before attending the caucus, Choe, long considered the "right-hand man" of party leader Kim, went on the record saying that he might consider launching a nationwide signature-collecting campaign for a RDP-PPD merger around December when the regular National Assembly session is over.

Political analysts wonder why Choe, four-term lawmaker and a diehard "loyalist," has made such a statement at this time. Choe knows too well that party boss Kim will show a knee-jerk reaction to anything that smacks of a RDP-PPD merger.

Many speakers at yesterday's caucus reconfirmed that the RDP's main job in the future was how to forget the old grudges and renew the collaboration of the opposition forces. A resolution released after yesterday's caucus once again declared its commitment to "speedy restoration of the opposition alliance."

RDP's Kim Says Merger Premature

SK3108025489 Seoul THE KOREA TIMES in English
31 Aug 89 p 2

[Text] Opposition leader Kim Yong-sam said yesterday that it is "premature" to talk of a merger of his Reunification Democratic Party [RDP] and the Party for Peace and Democracy [PPD] led by Kim Tae-chung.

"This is not the time to talk of the two parties' merger," said the RDP leader, adding that there are "several phases" to undergo before it would be possible. He did not elaborate what the phases are.

His clear objection to the 'merger' idea follows vocal demands by some in the party ranks Monday that the two main opposition groups unite for victory in the next presidential elections.

Former RDP floor leader Choe Hyong-u, speaking out for the RDP-PPD merger, argued at the party caucus Tuesday that it can not only break the four-party political structure based on "regional rivalry" but assure the opposition of victory in the next presidential elections.

Rep. Chang Sok-hwa, a member of the 12-member intrapartisan group Minju (Democracy) Studies Club, even proposed forming a special task force to promote the two parties' merger.

The RDP leader said the pressing task facing the opposition was to resolve the sticky problems of the past government led by disgraced president Chon Tu-hwan and speed up the abolition of "anti-democratic" laws.

"We will have to put all our energies into resolving pressing issues like that," Kim stressed.

He added that the three opposition parties need to restore alliance to settle these problems.

He said he expected that a meeting of the three opposition leaders could take place before the upcoming National Assembly starting on Sept. 10.

Meanwhile, he dismissed as "the sneaky conspiracy" of the ruling party attempting to gloss over the Fifth Republic problems the idea that the ruling camp was seeking to introduce a parliamentary cabinet system as well as a realignment of the political parties along ideological lines.

Parties Differ on Approach to Fifth Republic

SK3008010989 Seoul THE KOREA HERALD
in English 30 Aug 89 p 2

[Text] Rival political parties yesterday failed again to reach an agreement on a method of tackling the key issue of liquidation of the Fifth Republic legacies.

As a way to liquidate the legacies of the Chon Tu-hwan regime, punishment of six persons close to Chon and parliamentary testimonies of ex-Presidents Chon and Choe Kyu-ha were suggested at a meeting of floor leaders of the four parties.

But the whips differed in concrete ways to accomplish these steps and reached no agreement.

They, however, neared an agreement to resume the "conference of senior lawmakers" to settle key issues one by one during the coming regular National Assembly sitting that convenes Sept. 11.

They agreed that leaders of the four political parties will make keynote speeches before the Assembly on Oct. 10, which will be televised live.

They were in agreement that the senior lawmakers' conference will deal with such pending issues as the Fifth Republic issue, the teachers' trade union controversy and the spy scandal of Rep. So Kyong-won.

The floor leaders further agreed that the Assembly will launch a 20-day inspection of state administration beginning Sept. 18.

They agreed in principle that the Fifth Republic issue will be finished within the year, but sources predicted lots of inter-party rift over the matter.

DJP, PPD Argue Over So's 'False Confessions'

SK3008011589 Seoul THE KOREA HERALD
in English 30 Aug 89 p 1

[Text] The ruling DJP [Democratic Justice Party] and the main opposition PPD [Party for Peace and Democracy] yesterday had heated arguments over the PPD allegation that Rep. So Kyong-won, now under arrest on charges of spying for North Korea since 1985, was forced to make false confessions.

The occasion was a special meeting of the National Assembly's Legislative-Judiciary Affairs Committee which was convened at the opposition party's request to "bring to light the truth of the So case."

Among So's forced confessions, PPD lawmakers charged, was one that he gave PPD President Kim Tae-chung \$10,000 after returning home from his illegal trip to Pyongyang a year ago.

So was forced to undergo questioning day and night by investigators while standing and being denied sufficient sleep, PPD lawmaker Pak Sang-chon told the meeting.

Pak also claimed that the investigators illegally denied So a meeting with his defense lawyers to hide their torture of him.

Pak and other PPD lawmakers demanded that Justice Minister Ho Hyong-ku resign for the "outright human rights violation."

The PPD lawmakers also charged that the prosecution violated the law by making public its charges against So while the investigation was still under way.

Rep. Chang Sok-hwa of the minor opposition RDP [Reunification Democratic Party], asked Justice Minister Ho, who was present at the meeting, if it was true that Prosecutor-General Kim Ki-chun asked the 27 prosecutors in charge of the So case to tender their resignations to pressure them to establish charges against So.

But ruling DJP members, disputing the opposition charges, denied that the investigators restricted So's access to defense lawyers.

The investigators made public the charges against So before he was indicted, the DJP lawmakers said, because the people had a right to know as soon as possible.

So was questioned first by the Agency for National Security Planning right after his arrest late June and then by the prosecution since late July on his illegal trip to the North and related charges.

PPD President Kim was questioned first by the top intelligence agency and again by the prosecution based on what the PPD lawmakers claimed was a false confession by So that he gave Kim \$10,000 and Kim knew of So's trip in April.

At the beginning of the meeting, the DJP and PPD members clashed over the PPD's demand that the intelligence agency head attend the session as a witness along with the prosecutor-general.

The PPD's demand was blocked by the DJP members who said there was no precedent for the two to attend.

NSP Extends Detention Period for Yim Su-kyong

SK3008011789 Seoul THE KOREA TIMES in English 30 Aug 89 p 3

[Text] The Agency for National Security Planning [NSP] yesterday extended the period of detention of student activist Yim Su-kyong, arrested upon her return on Aug. 15 from a Pyongyang-hosted international festival.

An NSP spokesman said the result of an investigation into the case be sent to the prosecution authorities.

Miss Yim, a 20-year-old French-language senior at the Hanguk University of Foreign Studies, is charged with violating the National Security Law that bans unauthorized contacts or visit to North Korea.

Her continued detention comes as the security agency failed to arrest Pak Chong-yol, a Yonsei University student, who is allegedly behind the dispatch of Yim to North Korea as the sole delegate of Chondaehyop, or the National Council of Student Representatives.

Unionist Teachers End 'School-Attending Struggle'

SK2908010889 Seoul THE KOREA TIMES in English 29 Aug 89 p 3

[Text] Dismissed Chonkyojo-affiliated [National Teachers Union] teachers have decided to stop their "school-attending struggle" this Saturday when classes have resumed at all primary and secondary schools across the country including Cheju-to.

Half of an estimated 1,500 dismissed union teachers have been reporting to schools since Aug. 21 with classes resuming at most secondary schools in major cities, setting off disturbances and collective action by their pupils protesting against the government crackdown on the union.

Efforts for the legalization of Chonkyojo or the National Teachers Union have seen a shift in tactics—resuming signature-collecting campaigns and public hearings as well

as beefing up solidarity with social organizations that advocate union organization, a union spokesman said.

The move was aimed to gain wider support for the revision of laws regulating collective action by teachers in the upcoming regular session of the National Assembly in September.

Union members will collaborate with a pan-national organization of parents who advocate teachers' rights to form unions, union spokesman Hwang Ho-yong said.

According to the union, pro-Chonkyojo parents have formed regional chapters in 13 out of the 15 educational districts and their representatives gathered yesterday to launch the pro-Chonkyojo parents council, a counterpart to the anti-union parents organization that was formed last week "under the government sponsorship."

Pro-Chonkyojo parents will host a lecture on the role of parents today at the Christian Center in Chongno-ku, central Seoul, the union said.

Meanwhile, union strife may flare again at some schools where school administrators expelled teachers who had withdrawn from the union.

Link Between Education, Unemployment Suggested

SK2908012889 Seoul THE KOREA HERALD in English 29 Aug 89 p 8

[Editorial: "Zeal for College Education"]

[Text] To become a collegian will soon be tougher than ever as the competition ratios for college admission are expected to skyrocket for the 1990 academic year. A record 894,179 are forecast to take the examination for entrance to colleges and universities this year, a whopping 11.3 percent increase from that of the previous year.

Roughly one in five applicants are expected to be admitted to four-year undergraduate courses, while the remaining 80 percent are likely to repeat their studies for the following year's examination or give up the idea of entering a college. The other choice available is study at two-year junior vocational colleges.

These grim pictures clearly depict the state of the country's extraordinarily high zeal for advanced education. Of course, the pursuit of higher education represents one of the noblest of human endeavors. But its excesses can also create unsavory side effects.

Now is the time, therefore, for the nation to rethink its unquestioned assumptions on educational values, often mistakenly identified with formal education at colleges. The drawbacks of our inordinate learning fever are so many and so deep that they seem to require restructuring of national priorities. Issues of higher education have multiple social dimension: unemployment, rational allocation of manpower, the system of rewards and benefits, and social justice. Appropriate to cite in this regard is the government's release of recent employment statistics.

The educational breakdown, according to the Economic Planning Board, denotes that a heavy proportion of the jobless population is represented by highly educated people.

This means that the country's manpower resources are unduly wasted. The trend of worsening unemployment among better educated manpower stands in sharp contrast with the shortage of manual and production line workers with lesser education. A shortage of manual workforce can cripple industries while an excess of highly educated jobless manpower can produce social strain. An optimum balance of employment in terms of wages and educational requirements should be restored. To reflect that, reevaluation of the educational needs of our society appears in order.

Greater incentives for less educated personnel may be offered as policy inputs to alleviate the fever for more formal educational as a weapon for social competition. Parallel improvement in educational administration should be encouraged toward that end.

Simultaneously, school curriculums should be so formulated as to instill less competitive ethics into the minds of students. After all, education is a life-long process of enriching one's life itself, not a competitive endeavor. This should be brought home to our younger generation so that they may shed their blind faith in formal education at colleges and universities.

Ministry Denies Student Torture by Agents

SK3108023489 Seoul THE KOREA TIMES in English
31 Aug 89 p 3

[Text] The Ministry of National Defense said yesterday that military intelligence agents contacted a college student in Seoul to get information on runaway activist students wanted by police. But it denied the student's allegation that he was forcibly hauled away to a hill and tortured by the agents.

Kim Chong-hwan, 23, a Korea-literature senior of Kukmin University, alleged in a "declaration of conscience" at the Korean National Council of Churches Monday that several investigators of the Defense Security Command [DSC] abducted him to a hill and tortured him on the evening of Aug. 9, demanding information on fugitive dissident students.

Issuing the second statement on the student's allegation, Col. Kim Chi-uk, spokesman for the Defense Ministry, said that Kim Hyo-su, and Kim Kon-u, both investigators of the DSC, had contacted Kim three times seeking the whereabouts of Kim Chong-tok.

Kim Chong-tok, editor-in-chief of the university paper, was sought by police for his suspected involvement in the unauthorized trip of dissident coed Yim Su-kyong to North Korea.

But the spokesman emphasized a military probe following on Kim's declaration found that the DSC agents

had in no way thrown him into a hole dug on the hill near Hongje-tong in Seoul and threatened to kill him as the student alleged.

Seoul Considering Talks on Currency Devaluation

SK3008063989 Seoul YONHAP in English 0632 GMT
30 Aug 89

[Text] Seoul, Aug. 30 (YONHAP)—South Korea may ask the United States to open talks on devaluing the won against the U.S. dollar, government sources said Wednesday.

There are differences of opinion within the government on how to handle the strength of the won. The Finance Ministry insists that depreciation is difficult due to the U.S. position, while the Trade and Industry Ministry holds that the won is overvalued and action is required, the sources said.

They are united, however, in their criticism of U.S. foreign exchange policy, accusing the United States of pressuring Korea to appreciate the won despite an export slump while devaluing the Japanese yen despite Tokyo's swelling trade surplus.

Steps to lower interest rates and stabilize the won to boost exports were recently urged by the Trade and Industry Ministry.

The Economic Planning Board (EPB) and the Finance Ministry agreed to bring interest rates down by easing controls on liquidity rather than by fiat, which they say would adversely affect industry and is contrary to the government's interest rate liberalization policy.

The EPB maintains that the won was overvalued 8.4 percent at the end of June against the dollar, while the Korea Foreign Trade Association says it was overvalued 4.8 percent at the end of July.

The Korea Institute of Economics and Technology (KIET), a state-funded think tank, says the won was 2.2 percent too high at the end of 1988 based on its purchasing power in 1978, while the Korea Development Institute (KDI), another state-invested think tank, states that it was overvalued 5.8 percent at the end of May in terms of the effective exchange rate when including trade weights for the two nations.

The International Monetary Fund (IMF), meanwhile, assessed in a recent annual report that the exchange rate of the Korean currency needs stabilization, given the worsening competitiveness of Korean goods and the nation's export slump.

*** Firms 'Flocking' To Invest in Southeast Asia**

41070142 Seoul CHUGAN MAEKYONG in Korean
22 Jun 89 pp 56-60

[Article by No Hong-il: "ROK Firms Are Flocking Into Southeast Asia; Direct Investment Is Increasing Sharply Due to Low Wages and Abundant Resources"]

[Text] A briefing session concerning the investment climate in Indonesia was held on 16 May at the auditorium of the Sahak Yongum Building in Youido. It was attended by more than 400 businessmen and other interested persons.

Four hundred people, far more than the number expected to attend, flocked to this briefing session sponsored jointly by the Small and Medium Industry Promotion Corporation and the Indonesian Investment Coordination Committee, and from the size of the attendance one could feel the warmth of the gathering. Seeing the auditorium filled to capacity and even the lobby crowded with observers, a promotion corporation official expressed his joy, saying "We have got to hold another briefing session."

That was a graphic illustration of the fever of the current investment boom among Korean firms seeking to operate in the field in Indonesia, Thailand, and other Southeast Asian countries.

One-Third of Total of Overseas Investment

According to the Overseas Investment Section of the Bank of Korea, as of the end of April, the cumulative total number of investments in Southeast Asia was 241, or 32.8 percent of the total of overseas investments (735). In the amount of money invested, investment in Southeast Asia totaled \$319.3 million, or 28 percent of the overseas investment total of \$1,125,310,000.

As of the end of April, 315 investment permits had been issued for Southeast Asia, or 35 percent of the total overseas investment permits (874 cases).

Investments by regions were: 34 cases in the Middle East, 64 cases in Latin America, 70 cases in Europe, 22 cases in Africa, and 41 cases in Oceania. A comparison of these figures with those for Southeast Asia indicates how high the investment fever among our businessmen is in that region.

The total number of investment in Southeast Asia is slightly less than the 163 cases of investment in North America, but the total investment permits for Southeast Asia is more numerous than the 296 permits for North America.

Investment by Hong Kong and Japan aside, the number of investments by ROK firms, Indonesia tops the list with 39 cases, followed by Thailand with 21 cases and Malaysia with 19 cases.

Investment in Indonesia totals \$207,693,000, far exceeding the \$13,413,000 for Thailand and \$29,857,000 for Malaysia.

What are the reasons the Indonesian market is so favored by the ROK business world?

First, our garment, shoe, toy, and other industries which have lost their competitive edges, are contemplating moving their bases of operation into Southeast Asia, and of all the countries in that region, Indonesia still has some room for ROK firms to explore new markets because relatively few Japanese firms have moved there.

Second, Indonesia has sufficient potential for forest development, veneer production, and petroleum development.

The first Korean firm to make direct investment in Indonesia was Korea Southern Development Corporation (Hanguk Nambang Kaebal), which invested \$2.94 million in forest development when it moved into that country in 1968.

The main Indonesian fields of business which Korean firms entered in the 1970's and the early eighties were forest development, veneer production, construction, and spice processing.

Particularly in the field of spice processing, the potential rivalry between Miwon Foods and Cheil Sugar has recently drawn attention since the latter has planned to move into Indonesia and build a joint venture plant. Miwon moved in as early as 1973.

As a general tendency, manufacturing firms, such as garment, sewing, and shoe firms whose competitiveness has weakened while operating in our country, have tended to invest in Indonesia, and recently other manufacturing firms such as chemical, metal, and machine firms also have gradually joined the ranks.

The shoe business has been most active in moving its operation to Indonesia. Beginning with Tae-Hwa Co, which invested \$800,000 in September 1987, Sunghwa Corp and Jason Korea went into operation last year. The following eight firms are scheduled to go into operation this year: Dong-Il Chemical, Tongyang Rubber, Taegwang Industrial Co, Sanggyo Industrial Co, Kukje Corp, Dae-Yang Rubber, Puyong Chemical, and Posaeng Co.

Eight Shoe Firms Move Into Indonesia

In the past, Indonesian firms showed a tendency to prefer joint ventures with companies from advanced countries such as the United States, Japan and European countries. But, recently they have begun to show interest in joint investment, mainly in the manufacturing sector, with newly industrializing countries (NIC's). Most areas, except for Java Island and a few other areas, have weak social bases of production and a poor business climate, and in addition they are faced with various problems such as a shortage of skilled labor. Nevertheless, the country is rich in natural resources and manpower, and its productive potential is highly rated. In addition, with

a view to easing the excessive burden of foreign debts exceeding \$40 billion and securing development investment funds, Indonesia is stepping up efforts to induce foreign investment by continuing to take measures to improve the investment climate.

Korean companies whose competitiveness has weakened as a result of rising wages and labor disputes are actively studying overseas investment opportunities, taking advantage of the recent government efforts being stepped up to promote overseas investment. Accordingly, it is expected that more and more Korean firms will move into Indonesia.

Next to Indonesia, Thailand is also having a boom in the entry of Korean firms.

As for the entry of Korean business into Thailand, there were only five Korean firms operating in that country in 1986 and another five in 1987, but the number began to increase sharply last year.

A total of 43 firms have made investment in production in Thailand. At the top of the list are nine in the electric and electronics field, seven in garments and toys, and seven in textiles. Of these 43 firms, 16 are now in operation, 17 under construction, and 10 are in the planning stage of operation.

In electronics and parts, Goldstar (Lucky TV and washing machines), Goldstar Telecommunication Co. (telephone sets and communications equipment), Goldstar Instrument and Electric (home measuring gauges), Samsung Electronics (color TV and video recorders), Daewoo Corporation (audio equipment and technical cooperation), Sammi Enterprise (speakers), are already there and the number of firms entering this field in Thailand is expected to increase sharply.

In footwear, Hwasung invested \$4 million all by itself and is now in operation; Dong-Sung Chemical Industrial Co (adhesive for footwear) is making preparations to begin production as a joint venture; Chau Trading (Yu-Pung Chemical Co) has set up a field corporation and is looking for a partner to start a joint venture. In addition, Yujin and Sango Industrial Co reportedly have signed contracts with local firms to start joint ventures.

In garments and toys, seven firms including Taesong and Hyonggwang, have moved in by making investment, and leading firms such as Chosun Industrial and Seojin are pushing plans to move in for independent operations or joint ventures.

Meanwhile, the Pilot Pen Korea, which moved into Thailand for a joint venture with Japanese Tokai-Seiki Co in 1970, is expanding its sales network on a firm business foundation, having stationery factories (mainly manufacture of ballpoint pens and fountain pens), offices, and buildings. Punghan Industry and other firms have moved ahead with the production of bags as a joint venture.

A conglomerate owned by Korean residents in Thailand has been making an all-out effort to build a local Korean industrial complex.

The Kotha group, a conglomerate run by Korean residents in Thailand, has decided to build an industrial complex site in the Ayutthaya areas north of Bangkok and parcel it out exclusively to Korean firms.

The size of this complex, which will become the first and largest overseas Korean industrial complex, will be about 600,000 pyong. The construction project, which was started last month, is scheduled to be completed in April 1991 at a cost of about \$200 million.

Its location is 66 km north of Bangkok Port and 40 km north of Bangkok International Airport and is included in the third industrial zone designated by the Thai Government's investment agency. It is the best location situated near the capital zone, within an hour's driving time from Bangkok by the Witphawadi Expressway.

The population of the Ayutthaya area is 640,000, and about 120,000 are a potential working population. This can fully meet the complex' demand for labor.

Because the location of this industrial complex, which was the Thai capital 200 years ago, is situated at the center of Thailand, the idle labor force in the neighboring areas, such as Sara Buri, Ang Thong, Suphan Buri, Nakhon Nayok, and Pathum Thani, is expected to supply labor to the complex if the need arises.

First Korean Industrial Complex in Thailand

Kotha has set the selling price of land parcels at 97,500 won per pyong. The Export-Import Bank of Korea, the Industrial Bank of Korea, the Small and Medium Industry Promotion Corp and others plan to finance up to 90 percent of the total investment funds. The purchase price of land parcels will be 480 million won for each 5,000-pyong plot and over 970 million won for each 10,000-pyong plot.

Kotha plans to induce 90 firms to move in, and 13 companies including Chunghwa Textile Co Chonbang, Aekyung Oil, and Kyongdong Industry, are currently filing applications for lots in the complex. All told, over 800 small and medium enterprises are known to hope to begin operations there.

When the construction of the complex site is completed, 90 companies, mostly in the labor-intensive industries, such as garment, toy, album, and plastic, will move into the complex, and some of them are expected to move early next year if things go smoothly.

Kotha plans to sign contracts with Korean building firms which rank among the top 15 in terms of total contract amounts, for basic projects for recreation facilities, apartments, a golf course, and factories so that firms can move in. In addition, it has also established a policy of executing projects in cooperation with local building firms which are ranked among the top 10.

The motive behind the decision of the Kotha group to push for this complex is to secure in advance an export base to cope with trade-related pressures from advanced countries. Another motive is to secure a bridgehead for the development of potential markets in Southeast Asian countries—excluding China—with a total population of 1.5 billion. Also they have in mind securing labor productivity necessary for the sustained operation of labor-intensive industries currently in decline.

What is expected first of all of this project is that Korean firms will be able to enhance the nation's prestige abroad by maximizing the use of land in Thailand, increasing local employment, and transmitting advanced technologies to local workers, and that from 2 years after the initiation of operations of the complex, there will be over \$1 billion worth of exports a year, and this will have the impetus of sustaining development of related Thai industries.

Firms Interested in Operating in Vietnam

In addition, banking on its experience employing the local work force, Kotha plans to establish a perfect management system covering all aspects ranging from the enrollment of Thai workers to their retirement and to solve the manpower supply and demand problems, the foremost issue confronting field corporations.

Particularly for the successful operation of participating firms, the management of the Kotha complex plans to exert its main effort toward increasing their profitability, stability, and the recovery of their original investment, by providing full assistance to participating firms on matters relating to Thai permits and licenses, the manpower supply, and transportation and exports.

Meanwhile, ROK corporate investment in Malaysia has been chiefly from building and manufacturing industries, and investment in manufacturing industries has shown the tendency to concentrate on the processing of local resources.

Daewoo, the first to invest in Malaysia, launched into the trading business with an investment of \$100,000 in December 1977.

Subsequently, these firms moved in: Samik Housing, Ssangyong Construction, and Hyundai Engineering & Construction in the construction industry; and Samsung Co., Hwasong Electric, Hyundai Heavy Industries, and Daewoo in the trading business. In addition, Dongkuk Trading Co., Tongyong Trading Co., Taehwa Industrial, and Hyundai Wood & Industries are operating there.

The size of Korean investment in Malaysia had been small up to the first half of 1988, but with the signing of an investment guarantee agreement between the two countries this April, it is expected that there will be active investment. In particular, during President No Tae-u's tour of four Asian-Pacific countries, the Malaysian Government expressed its readiness to set up a special ROK economic zone (an industrial complex) and sounded out

our firms on their willingness to operate in Malaysia. This is expected to prompt ROK investment there.

In the Philippines, Dongkwang (sweater manufacture), Sangwoo Co. (garment manufacture), and Oriental Chemical Industry (cement manufacture) are among the firms which have invested there.

On the other hand, recently a move has begun in earnest among Korean firms to operate in Vietnam, a fact which deserves attention. With the expansion of trade, some of our general companies are actively pushing for the establishment of joint venture factories in Vietnam. Iron and steel and farm machine firms also are hurriedly pushing plans for operations there.

Firms greatly interested in operating in Vietnam include five general corporations: Sun-Kyong, Samsung Co., Kolon Industrial Corp., Hyosung Corp., and Tongkook Corp. The Hanjin Group, Dongwon Industries, Incheon Iron & Steel, Kangwon Industrial, Tongyang Corp., Hung-a Marine Transportation, and Tongbo Merchant Marine are also interested in operating in Vietnam.

Samsung Co., whose trade with Vietnam last year totaled \$25 million, is currently holding active negotiations with the Vietnamese authorities to build home electric appliance and garment factories jointly with local firms.

Hyosung Corp. which is pushing for the construction of a \$20-million fish net factory in conjunction with local firms, is probing ways to build textile, garment, and veneer factories in Vietnam.

Tongyang Corp. has selected Can Tho and Ho Chi Minh cities in the Mekong River Delta as factory sites and are now engaged in behind-the-scenes negotiations with the Vietnamese agricultural commune, Vinalimex, on matters relating to factory construction.

Dongwon Industries, on the other hand, is pushing for a plan to build a tuna processing plant near Ho Chi Minh City.

Why is the Southeast Asian region is in the spotlight of the Korean business world for the first time, looked at as the best place for investment.

Wages, Rising Cost Pose Problems

First, low wages, relatively large domestic markets, and political stability may be given as reasons. In addition, countries in that region are on the whole rich with natural resources and manpower, have great potential for mutually complementary economic cooperation with the ROK in the current stage of their economic development, and they welcome direct foreign investment.

From the standpoint of our side, the need for overseas investment is gradually increasing for our firms as the international trading climate deteriorates with the intensification of neo-protectionism among the advanced countries, and as obstacles to export increase with the tendency of the world economy to split into blocs.

In addition, moving into the Southeast Asian region is of great significance for our firms in view of the fact that they need to secure a stable supply of cheap raw materials and supplies. Also some of our commodities are losing their international competitiveness as a result of the rising cost of domestic factors of production.

Another advantage that cannot be overlooked is the fact that these countries are trying to improve the investment climate, and are giving preference to investment. They are adopting measures such as the relaxation of investment restrictions on business categories accessible to foreign investment and limitations on capital shares, in addition to the exemption or reduction of taxes and customs.

These countries seem to hold out good prospects for our firms because various trade benefits offered by advanced countries are decreasing, and they are still in the developing stage, unlike crowded Taiwan, Hong Kong, and Singapore.

However, as a matter of fact, there are many factors which should be taken into consideration in deciding to invest and operate in a Southeast Asian country.

In that region, except in some areas, capital available for building infrastructure has not yet been readily available, and recently there has been a sharp increase in foreign investment, creating a shortage in available facilities and pushing up the cost of production. In addition, attention should be paid to rapidly rising wages resulting from an increase in investment by domestic and foreign firms.

Moreover, incentives are decreasing in the sectors and areas where the operating capability of indigenous businessmen has markedly improved, whereas in the field of high-tech and other technologies, incentives are increasing.

Recently, a number of Japanese firms engaged in production overseas and that of Taiwanese, Hong Kong, and Singapore firms investing in Southeast Asia have been rising sharply, and keen competition with these firms is expected from now on. Under these circumstances, it is necessary for Korean firms to strengthen ties with firms run by Korean residents overseas having a great financial and marketing leverage.

From a medium and long-term point of view, attention should be paid to that region's growing domestic markets because there are signs that advanced countries will intensify protectionism against the Southeast Asian region.

On the other hand, in the past, small- and medium-scale investment accounted for the bulk of investment in Southeast Asian countries, but it has gradually been switched to fields such as the processing of local resources, the development of technologies, and sectors requiring a long capital recycling period. For this reason, importance should be attached to an ability to raise funds in keeping with this trend.

All these factors considered, we may conclude that in essence, our strategy for moving into the Southeast Asian region through direct investment should be directed toward these fields: the field in which emphasis is placed on securing domestic demand, the field requiring resources development, the resource-intensive or labor-intensive field in which we are losing our competitive edges, and the high-tech field.

*** Joint Ventures Announced With Egyptian Firms**

41070143 Seoul HANGUK ILBO in Korean
17 Jun 89 p 6

[Report by Cairo correspondent Kim Yong-chol]

[Text] With the current Arab-Middle East tour by an ROK industrial plant export promotion group as an impetus, ROK-Arab Republic of Egypt [ARE] economic cooperation has reached a turning point as demonstrated in various deals concluded by Korean firms, including the contract signed by Goldstar Company to build a color television parts factory in Egypt as a joint venture.

Goldstar signed this contract with the Egypt Machine Industry Promotion Association [EIC], the other party to the joint venture, on 16 June (Egyptian time) in the Cleopatra Hall of Semiramis Hotel in Cairo.

Present at the signing ceremony were more than 500 interested persons from the two countries, including ROK Consul General Sin Ki-pok; Al-Wahhab, ARE minister of industry; EIC Chairman (Habbak); and Sin Kwang-su, Goldstar's Middle East regional representative.

Based on this contract, Goldstar and the EIC will jointly contribute to the total capital of \$2 million at a ratio of 70 to 30 to build a joint venture TV parts factory near Cairo in the first half of 1990. When completed, the factory will produce more than 500,000 pieces of DY's (deflection yokes) and FBT's (flyback transformers), the two main components of a television set.

The two companies agreed to invest \$10 million on the plant project to boost the production capacity of the factory.

Earlier, in September of last year, Goldstar took part in the bidding sponsored by the ARE Ministry of Industry for supply of color TV's and made a successful bid defeating better known Japanese and European competitors. It is now exporting unassembled color TV sets at an annual pace of 225,000 sets.

The signing of the aforementioned joint venture contract at Semiramis Hotel was also an occasion for celebrating the first shipment of color TV's assembled at Goldstar's joint venture plant. At the same time, Goldstar also signed a separate contract with Benha Company under the ARE Defense Ministry to supply 100,000 semi-finished VTR's to Egypt annually.

Meanwhile, the ROK group for the promotion of industrial plant export to the Arab-Middle East area visiting

Cairo has been contacting local businessmen since 12 June and has succeeded in landing deals totaling \$210 million, including a \$150 million joint venture involving Lucky-Goldstar. The group is headed by Kwak Chong-hyon, chairman of the Korea Machine Industry Development Association; and Im In-chu, general director of the Korea Trade Promotion Center [KOTRA].

In particular, three companies affiliated with the Lucky-Goldstar conglomerate, including Lucky-Goldstar International and Lucky Engineering, are pushing for a joint venture plan to build a factory producing paint and other special materials on the coast of the Red Sea, and reportedly they have reached substantial agreement in part with public corporations under the ARE government.

In addition, this same group of firms plans to take part in a joint venture project to build a \$50 million carbon black plant.

Meanwhile, small- and medium-size Korean firms, such as Orient Commercial Co. Korea Automation Equipment, and Sinsaeng Plant Co. have concluded deals totaling more than \$20 million to build small- and medium-scale plants, such as plants to manufacture medical containers and asphalt mixing plants.

In addition, Misr (American Carpet Mills), an Egyptian firm, is pushing for a joint venture plan with Hanil Synthetic Fiber Industry to build a carpet factory; Etico, the largest pharmaceutical company in Egypt, is also pushing for separate joint venture projects with Sinsin Pharmaceutical Co and Tonghwa Pharmaceutical Industry Co to produce pharmaceuticals.

Goldstar, which set up a color TV parts plant in Egypt, held a ceremony on 12 June during which the first shipment of parts produced at this plant left the plant for delivery. As mentioned earlier, Goldstar signed a contract to expand the scope of joint venture into production of major color TV components.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Stresses Unity in National Day Address

BK3008162689 Kuala Lumpur RTM Television
Network 1 in Malay 1242 GMT 30 Aug 89

[Speech by Prime Minister Datuk Sri Dr Mahathir Mohamed on the occasion of the 32d Malaysian National Day]

[Excerpts] Peace be upon you and my warmest greetings! We thank God Almighty for enabling us to welcome our national day—our country's independence day. We are also thankful because our country is peaceful and progressive. We pray that this situation will continue to prevail in future years. We need to exert greater continuous efforts to achieve this objective. [passage omitted]

Ladies and gentlemen: The government policies such as the New Economic Policy [NEP], the National Education Policy, and other policies are aimed at further nurturing solidarity. It is obvious that in any human society, sociopolitical and economic differences will create dissension and cause disturbances. Generally, the wide rich-poor gap that exists within a race will result in disunity and revolution. This was the cause of the French Revolution, which occurred 200 years ago. In that case, we should embark on efforts to narrow the rich-poor gap, especially if this gap is connected with certain races. The NEP is aimed at narrowing the rich-poor gap and the racial connection to the economic function. Differences in the sociopolitical field—if there are any—will be totally eradicated when the rich-poor gap is no longer linked to race.

The NEP came into existence following the bloody 13 May 1969 incident [a clash between Malay Muslims and Chinese]. The theme, unity, will definitely convey a very deep sentimental meaning to those who personally experienced that ugly incident. Only they and their families understand the hardship and suffering caused by such a racial disturbance. If such a disturbance should reemerge, there would definitely be losses of life and suffering. Daily chores would also be disrupted and a myriad of hardships would definitely follow. National security would not be guaranteed and people would live in trepidation. This was the aftermath of the ugly 13 May 1969 incident. That incident should be a bitter lesson for us if we fervently desire to obliterate the indelible gruesome incident. If we completely forget that hideous incident, there is a strong possibility that we would not make any effort to avoid a recurrence. Unfortunately, our annual population is growing with many youths who have not undergone such a horrendous incident. They have never experienced such a gruesome incident. As such, the government believes that it is most appropriate that we constantly emphasize the importance of unity and solidarity in Malaysian society.

The unity theme should be the main foundation in schools, institutions of higher learning, public agencies, the private sector, and all other concerned parties in the country in all of their actions and activities.

Ladies and gentlemen, unity can be seen in various aspects—political, economic, social, or security. If we are united, we will feel more confident and will be able to work in closer cooperation. Cooperation will assist in lightening our burden. We will definitely be respected, and when we make any proposals, the proposals will receive attention and be given due consideration. On the other hand, if we are alienated and constantly at loggerheads with one another, the international community will absolutely scorn us. What we propose will be brushed aside. We will be despised and our integrity will be at stake. A high degree of integrity is one of the criteria in the international political arena. Every nation considers several elements in measuring the performance of another nation. One of the elements is, undoubtedly, the political stability of a nation. As such, we must continuously consolidate in upgrading our nation's integrity. We were offered and accepted the chance to host the upcoming Commonwealth heads of nations summit, or CHOGM [Commonwealth heads of government meeting], because the international community is confident of our country's ability and stability.

Unity can be also viewed through the aspect of national economy and development. The government is constantly emphasizing unity and harmony so that the economic and development climate will always be good and bright. A strong economy will bring numerous benefits to the people in general. Those who are united will be harmonious, but those who are constantly in discord will continue to be in discord—whether it is within organizations, among themselves, within political parties, sports organizations, or any group. The existence of unity will bring greater rapport in society.

Another aspect is the correlation between unity and national security and defense. The connection between unity and security is continuous and direct. Unity is the foundation of strength. A country will only be able to defend itself if the people are united. [passage omitted]

In this ever challenging era, our country is constantly facing internal and external challenges. If we are not united, we could be destroyed by internal problems, which would definitely be agitated by external enemies. It is also possible that the external enemies will seize the opportunity to cripple us. If we are careless about these possibilities, our freedom will be curtailed. As a result, we will definitely be colonized again. Colonialization need not mean the occupation of a country; it can take the form of economic or social colonialization. Several nations have been unable to thrive without depending on other nations. Without assistance, those nations will collapse. Nations providing the assistance take advantage of the assistance for their own benefits and finally, the receiver governments become only puppet governments.

As such, the Malaysian Government urges all people from the various races to guard our independence well. All through the 32 years of independence we have been able to fill the time with material and spiritual development. However, there is still much to be done to transform our country so that it is more progressive in all aspects. We need a calm situation to fulfill this desire and we should avoid carrying out undesirable actions that can threaten our solidarity. [passage omitted]

I am confident that all Malaysians will nurture the existing solidarity and make more sacrifices toward achieving greater unity. God willing, our country will be constantly protected and successful. God bless you.

Party Hopes To Persuade MP Not To Resign

BK2908150189 Kuala Lumpur Domestic Service
in Malay 1430 GMT 29 Aug 89

[Text] The Malaysian Chinese Association [MCA] will try to persuade Mr Chew Kam Hoy, member of Parliament [MP] for the Padang Serai Constituency in Kedah, to reconsider his decision to resign as MP for the constituency effective 15 September. MCA Deputy President Mr Lee Kim Sai said this in Kuala Lumpur today.

Tan Sri Mohamed Zahir Ismail, speaker of the House of Representatives, confirmed today that he had received a letter of resignation from Mr Chew yesterday. Mr Chew, 39, who is Kedah State MCA treasurer and Padang Serai Division MCA chief, was quoted as saying that he wanted to resign from politics to concentrate on his construction business. Asked on whether the MCA had been notified of Mr Chew's resignation, Mr Lee said he had heard something about the matter but had not seen any official documents.

Singapore

Daily Deplores 'Unfriendly Noises' From Malaysia

BK3008103589 Singapore THE STRAITS TIMES
in English 30 Aug 89 p 22

[Editorial: "Unfriendly Noises"]

[Text] The Malay community in Singapore attracted an uncalled for, although not unexpected, lecture from a columnist writing in the Malaysian newspaper WATAN last week. His was an old accusation—that despite Singapore's rapid economic growth, the Malays have come a poor third after the Chinese and Indians. Indeed, so Datuk Samad Idris argued, they have paid too high a political price for whatever little progress they have made. He blamed the Government for this. It was written with the sort of journalistic licence one has come to expect from those out to arouse feelings on sensitive racial and religious matters. There were many innuendoes and accusations but scarcely any supporting facts. Singaporeans have, over the years, learned to tolerate such unfair and snide remarks from foreign commentators. It is unlikely that many will lose sleep over them.

However, what they cannot be too sanguine about is how these have coloured the thinking of Malaysians, many of whom do not have access to accurate information. It shows how important it is not to let up on the effort to foster close relations between the two countries, especially at government level.

Why there are all these unfriendly noises from Singapore's closest neighbour was amply explained by the visiting UMNO [United Malays National Organization] Vice President, Datuk Abdullah Ahmad Badawi, when he spoke on Monday at a public lecture on Singapore-Malaysia relations. Singaporeans should read his speech because it gives a useful insight into the various forces at work. Mr Badawi explained that it was fashionable in Malaysia to jump on the anti-Singapore bandwagon in Malaysia because this usually meant championing some racial or religious cause which could be exploited with a good deal of emotion. If Mr Badawi was right, then this probably means that Singaporeans will have to learn to live with that bandwagon for a long time. Racial and religious issues are ingrained in a people's culture and history, and are difficult, if not impossible, to erase. Mr Badawi, however, had a piece of comforting news for Singaporeans: it was important to differentiate comments of these sort from those of the Malaysian government, which are a great deal friendlier. This was also the farewell message from the departing Malaysian High Commissioner, Dato Kanagaratnam Tharmaratnam. Their remarks show how important it is for government leaders from both countries to maintain the close rapport that has been developed over the years.

How should Singaporeans react to these noises from abroad? They need to be discerning enough to differentiate those which come from key government leaders and therefore represent official policy, from those out to create mischief. In other words, who is saying it is often more important than what is being said. This does not mean that Singaporeans can be complacent and ignore what is said by non-government sources. Indeed, they need to be alert to even the strident messages, if only to get a measure of what is being said to certain sections of Malaysian society. Not to do so would be to shut themselves off from the realities of living in this region.

In this connection, it is gratifying to note that Singaporeans have, of late, become more responsive in supporting their country against criticisms from abroad. They have come out in open support of the Government's position on international issues, whether it is on immigration or hosting some U.S. military facilities. They know that many of these attacks need to be rebutted. How they react to foreign criticism signals how cohesive they are as a nation. Their response so far has been heartening. If they keep it up, the noises might get more muted in the future.

Cambodia

SRV Plans Three Routes for Troop Withdrawal

BK3108033389 Bangkok *THE NATION* in English
31 Aug 89 p 1

[Text] Hanoi has finalized plans for the withdrawal of Vietnamese troops from Cambodia using three routes and will arrange for foreign journalists to observe the pullout ceremonies from September 21-26, Hanoi-based diplomatic sources said yesterday.

According to the plan, a Vietnamese force will be trucked from Phnom Penh via Highway No 1 to the Vietnamese border while another will be ferried along the Mekong River to southern Vietnam and the rest will take a sea journey from the seaboard province of Koh Kong on the Gulf of Thailand to the south of Vietnam, according to sources who asked not to be identified.

The withdrawal plan includes ceremonies in Battambang, Siem Reap, Phnom Penh and Kompong Cham and welcoming ceremonies in Ho Chi Minh City. The soldiers will also be granted medals of honour in Hanoi.

The troops will be pulled back to their original garrisons in Ho Chi Minh City according to the plan which will be officially released next month.

The Vietnamese forces will be withdrawn from three regional commands—Khao Preah Vihear in northern Cambodia, the eastern province of Battambang and the western and southern suburbs of Phnom Penh.

Lieutenant General Le Kha Phieu, the former commander-in-chief of the Vietnamese army in Cambodia, who returned to Vietnam in July last year, is scheduled to hold a news conference for foreign journalists on the pullout plan in Ho Chi Minh City on September 19.

On September 20, the journalists will travel to Phnom Penh on a chartered flight to witness the withdrawal of Vietnamese troops from Siem Reap the following day.

Another pullout ceremony will be held in Battambang with the press in attendance on September 22. Similar ceremonies will be held in Phnom Penh and Kompong Cham September 23-25.

The Vietnamese will gather in the Cambodian border town of Prey Veng opposite Tay Ninh of Vietnam in the afternoon of September 25. The troops will pass checkpoints at Bavet, in Cambodia, and Moc Bai in Vietnam.

On September 26, the Vietnamese forces will cross the border into southern Vietnam.

The welcoming ceremony will be held in Ho Chi Minh City on September 28.

Vietnamese leaders will preside over a ceremony to bestow medals of bravery on the returning troops.

Army Reports Numbers of Young Volunteers

Kompong Som City Recruitment

BK2708050089 Phnom Penh Domestic Service
in Cambodian 1200 GMT 26 Aug 89

[Excerpt] In the first and second phases of 1989, the city of Kompong Som achieved successful results in troop recruitment, as many youths with high spirits of awareness volunteered to join the army.

In July 1989 alone, 157 youths volunteered to serve in the army, or 100 percent of the planned target.

In the first phase, more than 500 youths volunteered for the army. This number was over the planned target. [passage omitted]

Stung Treng Province Statistics

BK2808135989 Phnom Penh Domestic Service
in Cambodian 1300 GMT 28 Aug 89

[Text] In the first part of 1989, Stung Treng Province scored successful results in the troop recruitment movement. In fact, in the first quarter of the year, the provincial troop recruitment committee received 400 youths who volunteered to serve in the army. The result was due to the efforts exerted by all of the local mass organizations to effectively enliven the policy toward the rear battlefield and to made the youths aware of their national defense tasks.

Kompong Cham Province Recruitment

BK3008072189 Phnom Penh Domestic Service
in Cambodian 2300 GMT 29 Aug 89

[Text] In the first phase of army recruitment in 1989, Tbong Khmum District in Kompong Cham Province received 300 youths volunteering to join the army; Prey Chhor District recruited 290 youths.

These results are due to the efforts and good examples of local state authorities in sending children to serve in the army. They are also due to the clear understanding of our youths on their duty to defend the nation and motherland.

Laos

Article Calls for Banning of Chemical Weapons

BK3008133889 Vientiane Domestic Service
in Lao 0000 GMT 29 Aug 89

[Article: "It Is Time To Call for the Banning of Chemical Weapons"]

[Text] Respected listeners: Chemical or noiseless weapons are among the most dangerous mass destruction weapons in the world. Like nuclear weapons, they pose a serious threat to the existence of mankind today.

In an era of international movements to do away with weapons and reduce military forces so as to create mutual security and trust, it is necessary to ban and eliminate all chemical and other murderous mass-killing weapons. It is time for every party to step up efforts to attain this goal.

For 9 years the international consultative conference held in Geneva to draft a treaty on the banning and elimination of chemical weapons has dragged on. In 1987, people all over the world were elated because they thought and believed that drafting of the treaty would be completed. However, that process has dragged on for 2 more years. The anxious dream of people all over the world has not yet been realized. The remaining problem in this process deals with the inspection aspect of the treaty. The Soviet Union and the socialist countries regard it as an important issue to negotiate for the complete elimination of chemical weapons while the United States wants to discuss the prohibition of further production of the weapons. Of course, the two different views are not contradictory and pose no obstacle to further negotiation.

Displaying its good intentions in trying to allow the signing of the treaty on banning and eliminating chemical weapons to be realized, in April 1987, the Soviet Union declared its decision to cease production of chemical weapons and to pledge not to use them or store them outside Soviet territory. In October of the same year, the Soviet Union organized a display of its chemical weapons, including its technology for destroying chemical weapons, for viewing by participants in the negotiations. The Soviet Union has already set up a specific facility for destroying chemical weapons in Chapayevsk.

At an international conference on chemical weapons held recently in Paris, the Soviet Union declared that it would begin destroying these weapons even before the signing of the treaty was achieved. Nevertheless, the U.S. side has so far failed to provide any definite reply to the question of whether the destruction of these weapons should be conducted under some form of inspection or not, including those weapons produced by private chemical industries and transnational companies.

You, respected listeners, must remember very well that the United States in the past few years has allowed inspection of chemical industries that only belong to the state. This measure is aimed at placing the U.S. side in an advantageous position because all of the chemical industries in the Soviet Union and the socialist countries are operated by the state while, in Western countries, a large number of these industries are run by private enterprises. Some of these privately owned enterprises directly supply chemical weapons. Moreover, while agreeing to hold negotiations on banning chemical weapons, the United States continues production of these weapons, including such new weapons as binary bombs designed for use by aircraft and 227-mm artillery pieces, which are in service in all NATO countries and Japan.

This year alone, the Pentagon has allocated an estimated U.S.\$40 million for equipping ballistic missile tips with binary chemical weapons. Moreover, it has also spent some U.S.\$100 million for experiments and production this year. Thus, one can see that the United States does not show clear-cut sincerity in this issue.

Chemical weapons, which are also known as nuclear weapons for poor countries, constitute a great threat; a threat we cannot afford to overlook. The proliferation and increased utilization of these weapons are spreading throughout the world at present. If we allow this trend to continue, greater dangers will certainly be created. Therefore, peoples in all countries, including the Lao people, must call for the signing of the treaty on banning and destroying these weapons as soon as possible.

Philippines

Aquino Revokes Order To Burn Firearms

HK3108024789 Manila Far East Broadcasting Company in English 2300 GMT 30 Aug 89

[Text] Speaker Ramon Mitra Jr insisted that the controversial 150 Israeli-made Uzis allegedly procured by congressmen were purchased legally and done in good faith. In a conference with newsmen, Mitra said he had just talked with President Aquino over the planned burning of the controversial high-powered firearms which was set yesterday afternoon at Camp Crame. Mitra said President Aquino has revoked her earlier order to acting AFP [Armed Forces of the Philippines] chief of staff and PC-INP [Philippine Constabulary-Integrated National Police] chief Major General Ramon Montano to burn or destroy those firearms upon advice of Justice Secretary Sedfrey Ordenez.

He said presently those firearms are now deposited at the Constabulary Firearms and Explosives Unit in Camp Crame and will be released to the [word indistinct] congressmen once all the necessary requirements and permits were verified and checked by authorities. He said these legal processes, which include the notices, will be served to the importers of the high-powered firearms to prove that their procurement of these firearms were legal.

Mitra reiterated that the procurement of these firearms by several congressmen were intended solely to protect themselves from criminal and other lawless elements of the society.

Meanwhile, Defense Secretary Fidel Ramos supported the decision of President Aquino to order the destruction of the Uzi assault rifles saying she is trying to put across a message renouncing the proliferation of firearms. Ramos told defense supporters that the president made the decision after a top level consultation with members of her cabinet. Ramos said there were pros and cons during the debate on what to do with the guns. But he said the burning of the assault guns is symbolic, an act

not aimed at any particular group of people but to society as a whole and it is high time to stop the proliferation of firearms.

Disclosure of Officials' Assets Ordered

*HK3108045789 Baguio City Mountain Province
Broadcasting Company in English 0300 GMT
31 Aug 89*

[Text] President Aquino has ordered immediate publication of assets and liabilities of all cabinet members and government officials to lay to rest doubts that a number of them have been illegally receiving additional compensation for holding multiple positions. Presidential spokesman Adolf Azcuna also clarified that ex-officio positions are not covered by the limitations set by Executive Order 284 limiting the positions of appointed officials to two.

List of Positions Held Issued

*HK3108025589 Manila Far East Broadcasting
Company
in English 2300 GMT 30 Aug 89*

[Excerpt] Senate majority floor leader Teofisto Guingona issued a detailed list of the positions held by government officials in his raps, and also hailed President Aquino for acting promptly on the [word indistinct]. He said many high government officials are holding multiple positions in government owned or controlled corporations and receiving extra compensations. To satisfy those who doubted the veracity of his reports about the government officials holding several positions, however, Guingona reproduced a list sent to him by various government agencies. He said Executive Secretary Catalino Macaraig Jr is chairman of the Philippine National Oil Company [PNOC], chairman of the board of the Philippine Airlines, and member of the board of directors of the Philippine Center for Economic Development.

Guingona also said that Secretary Jose Concepcion Jr of the Department of Trade and Industry is director of 11 corporations. Among these are the National Resources and Development Corporation, the Metal Industry Research and Development Center, Cottage Industry Technology Center, Export and Foreign Loans Guaranty Corporation, and the Philippine Aerospace Development Corporation's Export Processing Zone.

Budget Secretary Guillermo Carague, on the other hand, is the board member of the following: Philippine Crop Insurance Company, Technology and Livelihood Resource Center, Central Bank, the Philippine International Convention Center, the Lightrail Transit Authority, National Home Mortgage Finance Corporation, Home Development Mutual Fund, and Philippine Center for Economic Development. [passage omitted]

Acting Economic Authority Director Resigns

*HK3108042389 Manila PHILIPPINE DAILY
GLOBE in English 31 Aug 89 pp 1, 9*

[By staff writers Rowena Bundang and David C. Borje]

[Text] Acting Director General Florian Alburo of the National Economic and Development Authority (NEDA) will be the fourth official to resign from the agency, following the controversy on the creation of the Committee on Official Development Assistance [CODA].

Alburo confirmed yesterday to members of the committee on appropriations of the House of Representatives that he would soon vacate the post. But he did not say when or why.

NEDA has three deputy directors general, two of whom had already resigned—Filologo Pante and Bienvenido Aragon.

If Alburo resigns, only the five assistant directors general will remain.

Alburo made known his plan to resign after Assistant Minority Leader Salvador Escudero III asked him to comment on reports that he would follow his colleagues in returning to the University of the Philippines to teach.

The first senior NEDA official to resign was Director General Solita Monsod who left in protest against the transfer of authority over the Official Development Assistance funds to the CODA.

Monsod has been offered by the House to head its budgetary office that will scrutinize the expenditures of every department. So far, she has not made any commitments to Speaker Ramon Mitra Jr.

Monsod will be replaced by Development Bank of the Philippines Chairman Jesus Estanislao.

As of yesterday, Estanislao had not yet been confirmed by the Commission on Appointments [CA]. The CA postponed action on Estanislao's appointment for at least one week.

In the same hearing on NEDA's proposed budget of P204.2 million for 1990, Alburo said the NEDA directorship was offered to Roberto Villanueva, chairman of the Coordinating Council of the Philippine Aid Plan, upon the recommendation of Monsod but he rejected it.

Meanwhile, Alburo said NEDA bases its policies and plans on the data submitted by two independent agencies, the National Statistical Coordinating Board and the National Statistical Office.

The current practice is better than that of the Marcos administration, he said, which tapped NEDA to make its own statistical system and at the same time issue policies based on its figures.

Alburo was reacting to a statement by Rep. Charito Plaza (LDP, [Struggle for Philippine Democrats], Agusan del Norte) that there's something wrong with the NEDA reports based on the studies made by the economic missions of foreign countries.

'Seajacking' of Malaysians Branded as 'Hoax'

HK3108040789 Manila MANILA BULLETIN in English 31 Aug 89 p 19

[Text] Malacanang branded yesterday a "hoax" the reported seajacking of a Malaysian motor launch carrying 11 Malaysians by a group of Filipino pirates.

Press Secretary Adolf Azcuna said President Aquino received a report from Defense Secretary Fidel V. Ramos, saying there were no sightings of hostages on board the launch.

Azcuna said during a press conference that the reported hijacking is "not true. It's a hoax."

Maj. Gen. Ramon Montano, Armed Forces chief, told Ramos that "there are reports that the information was only fabricated by some people for the AFP [Armed Forces of the Philippines] to send a naval patrol to the area to deter a reported threat to seajack a vessel on Tapul island."

Despite the negative findings, Ramos said expanded search operations for the alleged Malaysian hostages are still going on.

Last Aug. 25, the PC [Philippine Constabulary] Regional Command 9 said that a Malaysian motor launch with possible hostages on board was seajacked and taken to barangay Canawai, Tapul island, Sulu, by pirates under a certain Salip Omdra Alawi.

In his report, Montano said a task force with naval, Constabulary, Marine, Air Force, and paramilitary units was organized to rescue the launch.

He said the rescuers under the Sulu PC commander was informed by the Tapul police that the blue motor launch with white stripes, weighing eight tons and loaded with coffee beans, was seen off Canawai, Tapul Island, last Aug. 25 and then departed for an unknown destination before the task force arrived. No hostage was sighted on board, the police station commander said.

Brunei's Grant Part of Assistance Program

HK3108045989 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 31 Aug 89

[Text] The Foreign Affairs Department said that the \$100 million loan grant by Brunei is part of the Philippine Assistance Program [PAP] even if no representative from Brunei was present during the pledging session in Tokyo last month. The amount will be its contribution to the PAP. Reports say that PAP coordinating council chairman Roberto Villanueva is preparing the list of projects that will be supported by the loan. Yesterday, a

House resolution requested the president to disclose the conditions contained in the grant. The resolution was submitted by representatives Gregorio Andolana and Bernancho Garduce.

Three MNLF Commanders From Sabah Surrender

HK3108041389 Manila MANILA BULLETIN in English 31 Aug 89 pp 1, 19

[By Roy C. Sinfuego]

[Text] Three commanders of the Moro National Liberation Front-Reformist Group (MNLF-RG), who arrived recently from their base in Sabah, surrendered yesterday and offered to help the government in the Nov. 19 plebiscite for the Organic Act creating the autonomous region of Muslim Mindanao.

Dimas Pundato, former MNLF-RG chairman who is now executive director of the Office for Muslim Affairs, presented the three MNLF commanders to Defense Secretary Fidel V. Ramos at Camp Aguinaldo in Quezon City.

They were Abdul Salem Wahi, alias "commander Lucky," chairman of the MNLF Reformist Group, Zamboanga del Norte; Commander Titing Jamil, chairman of MNLF-RG, Basilan Revolutionary Committee; and Commander Wally Musa, vice chairman for military affairs, MNLF-RG, Basilan Revolutionary Committee.

Defense Undersecretary for Reserve Affairs Eduardo Ermita said the three MNLF commanders returned three weeks ago after staying for 11 years in Kota Kinabalu, Sabah.

Ermita added the MNLF leaders are assessing the political situation in Mindanao after the President signed the organic act.

Thailand

U.S. DEA Denies Calling for End to Drug Aid

BK3108054589 Bangkok BANGKOK POST in English 31 Aug 89 p 4

[Text] The US Drug Enforcement Administration [DEA] in Bangkok denied that its officials gave an interview to TIME newsmagazine in which they called for an end to American anti-drug aid here.

Police Major-General Chaowalit Yotmani, chief of the Office of the Narcotics Control Board [ONCB], said the DEA made the denial in a letter received by him on Tuesday.

In the letter, DEA's Bangkok office chief Glennon L. Cooper expressed concern over the report and told the ONCB that his agency is preparing a response.

Maj-Gen Chaowalit said the allegations in TIME magazine are groundless.

TIME, in its August 28 issue, quotes DEA agents and US Consular officials in Chiang Mai as saying the anti-drug aid programme to Thailand should be completely cut.

The officials were quoted as saying that corruption among Thai officials has gotten to a point where police vehicles and Army helicopters are used to transport narcotics, making the aid project into a joke.

Maj-Gen Chaowalit said the magazine's allegation may have been true 10 or 20 years ago.

"Any government official trying to do that nowadays would be jailed," he said.

The ONCB chief said the DEA and Thai authorities have closely cooperated in anti-drug campaigns and this can be shown by recent action taken against a senior Thai policeman in connection with a heroin smuggling case.

Deputy Public Health Minister Leaves for Laos

BK3108061589 Bangkok *BANGKOK POST* in English
31 Aug 89 p 4

[Text] Nong Khai—Deputy Public Health Minister Suthat Ngoenmun left for Laos yesterday for two days of talks on bilateral medical cooperation.

Invited by the Laotian Public Health Minister, Mr Suthat said it was expected that initial agreements would be reached as the two countries share similar public health problems.

Both Thais and Laotians in the provinces may have communicable diseases, malaria and liver fluke as they eat similar foods, particularly those cooked rare.

Laos has asked Thailand to provide medical know-how, train Laotian medical staff and exchange medical staff and public health officials.

Accompanying Mr Suthat to Laos were Public Health deputy permanent secretary Dr Hathai Chitphanon, Communicable Disease Control Department deputy director-general Dr Suthat Malikun and Medical Department deputy director-general Dr Udom Laksanawichan.

Laos is expected to later invite Public Health Minister Chuan Likphai for further talks on medical cooperation.

MP Still Determined To 'Grill' Two Ministers

BK3108030189 Bangkok *THE NATION* in English
31 Aug 89 p 1

[Text] Deputy Social Action Party [SAP] leader Prayut Siriphanit, who is leading a campaign to oust two Democrat ministers, yesterday rejected Prime Minister Chatchai Chunhawan's appeal for an end to the intra-coalition conflict.

The Maha Sarakham MP [member of parliament] said he would go ahead with the plan to seek a parliamentary

debate against the two Democrats—Public Health Minister Chuan Likphai and Deputy Agriculture Minister Charoen Khanthawong—at the special parliamentary sitting to be held next month.

A motion seeking to grill an MP for misbehaviour needs to be endorsed by three quarters of the total 357 MPs. The MP will lose House membership if the House majority votes against him or her.

Prayut and a group of SAP and Chat Thai Party MPs are reportedly planning to gather signatures to endorse a grilling motion against Chuan and Charoen. The anti-Democrat government MPs are said to be expecting support from the opposition bloc.

Piyanat Watcharaphon, deputy leader of the opposition Solidarity Party, indicated yesterday his party might support the motion.

"Though the Opposition did not get involved at the beginning, we are ready to cooperate with people we believe are doing the right thing," Piyanat said.

At a Cabinet meeting on Tuesday, Prime Minister Chatchai called for an end to the conflict that has stemmed from allegations made by Chuan and Charoen that some government MPs demanded money in exchange for confidence votes for Agriculture Minister Sanan Khachonprasat, secretary-general of the Democrat Party, who was censured by the Opposition last month.

"We always listen to advice from senior government leaders, but that doesn't mean we will have to follow it," Prayut said.

The anti-Democrat faction claims the allegations that some government MPs demanded bribes from the Democrat Party badly damaged Parliament's reputation. Chuan and Charoen have declined to identify the MPs who allegedly called the deputy agriculture minister and demanded 5 million baht for their support votes.

Political observers said the campaign against the Democrats was noticeably led by disgruntled MPs who had initially wanted Cabinet portfolios when the government was formed.

Vietnam

Commentary Views U.S. Aid to Afghan Rebels

BK2608094889 Hanoi *VNA* in English 0612 GMT
26 Aug 89

[Text] Hanoi VNA August 26—NHAN DAN today strongly criticizes the United States' intention to continue its military aid to the Afghan reactionary forces.

The paper recalls in its commentary the statement by Claiborne Pell, chairman of the U.S. Senate's Committee for Foreign Relations, at an August 23 press conference in Islamabad at the end of his week-long visit to Pakistan, noting that "this is nothing but an act adding fuel to the

flame of conflicts in Afghanistan," which "runs counter to the Afghan people's aspiration for peace and stability."

It says:

"Clearly, this is Washington's new escalation in its open involvement in the Afghan conflict, aimed at beefing up the Afghan reactionary forces after their bitter defeats in their military adventure against the Republic of Afghanistan."

NHAN DAN denounces Islamabad and Washington for interfering in Afghanistan's affairs, blatantly violating the Geneva Agreement on Afghanistan and continuing to supply sanctuary, money and weapons for the Afghan reactionaries. "All these," stresses the paper, "reveal that they want to prolong the conflict and cause more sufferings to the Afghan people."

"By supplying more modern weapons for the Afghan reactionaries, Washington and Islamabad are challenging the progressive public opinion. The responsibility for making the Afghan situation complicated and dangerous lies in those who deliberately cling to their policy of confrontation," NHAN DAN points out in conclusion.

Research Stations Planned for East Sea

BK2708092589 Hanoi Domestic Service in Vietnamese
0500 GMT 26 Aug 89

[Text] The People's Committees of the Vung Tau-Con Dao Special Zone and Khanh Hoa Province met with representatives of the Ministry of Aquatic Products, the Soviet Far Eastern Company, and various sectors concerned to discuss measures to manage and exploit aquatic products in the coral area on the continental shelf of the East Sea. Located approximately 7-8 degrees 30 minutes north latitude, and from 109 degrees 19 minutes to 112 degrees 30 minutes east longitude, this area consists of dozens of coral reefs, including Tu Chinh, Cong Do, Huyen Tran, Phuc Nguyen, and Vung May. The area has an average depth of 15-20 meters and is teeming with valuable marine products such as lobsters, squids, sharks, and red corals.

The Vung Tau-Con Dao Special Zone will set up a hydrological scientific research station and an aquatic products research station to survey and determine the amounts of marine products in the area. It will also organize a fleet for fishing and build a service zone to process aquatic products on the spot for export. A lighthouse will be erected in the area to help ships navigate correctly and safely.

Exports to Soviet Union, Other Countries Noted

BK2808093189 Hanoi VNA in English 0600 GMT
28 Aug 89

[Text] Hanoi VNA August 28—Since it was put into operation in May last year, the Phu Lam state-run rubber factory in Ho Chi Minh City has exported 200,000 pairs of rubber shoes and sandals to the Soviet Union.

In addition, the factory plans to export to the Soviet Union 116,000 pairs of shoes of various models in August and 250,000 pairs of shoe-uppers in September this year. The enterprise has also contracted to sell rubber shoes and sandals to Poland and Australia.

—After nearly one year of operation, the Da Lat Tailoring Enterprise in the Central Highlands province of Lam Dong has exported more than 100,000 items of garments to the Soviet Union. While the Phu Nhuan Tailoring and Embroidering Enterprise in Ho Chi Minh City has contracted to produce more than 750,000 products worth 1.072 million rubles for export to the Soviet Union.

—The Forest Products Processing Centre under the Ministry of Forestry has contracted to produce wooden toys totally worth 172,000 rubles for export to the Soviet Union.

Communique Issued on Council of State Session

BK3008165089 Hanoi Domestic Service in Vietnamese
1430 GMT 30 Aug 89

[Communique of the Council of State on its 28-29 August session]

[Text] The Council of State met on 28 and 29 August 1989 under the chairmanship of Chairman Vo Chi Cong.

1. After hearing the chief justice of the People's Supreme Court present a draft law on the execution of civil court verdicts, the head of the National Assembly's legal committee read an investigative report and a representative of the Council of Ministers gave his remarks, the Council of State discussed and passed this law.

The promulgation of the law on executing civilian court verdicts will create a legal basis necessary for ensuring the effect of various verdicts and decisions on civilian responsibility taken by the courts, protecting the interests of the state and the collective, and protecting various legal rights and interests of citizens, thus contributing to enhancing socialist legislation.

2. In compliance with the Eighth National Assembly's Fifth Session Resolution, to protect and develop the domestic production of goods, encourage exports, and satisfactorily implement the country's financial policy, and based on a report from the Council of Ministers and an investigative report from the National Assembly's Economic, Planning, and Budget Committee and Legal Committee, the Council of State decided to revise the tax charts for the export and import of commercial goods, which were promulgated together with the Council of State's Resolution No 134/NQ/HD/NN8, dated 3 March 1989.

The Council of State requested that the heads of various echelons, sectors, and responsible organs map out plans and measures to provide leadership for satisfactory

implementation of the Council of State's decision. Specific attention must be paid to fighting against import-export tax collection shortfalls, severely dealing with tax evasion or tax fraud, and rectifying the consideration for giving tax exemptions or tax reductions and for allocating export-import quotas.

3. The Council of State heard a report on the result of a trip by a Council of State delegation led by its vice chairwoman, Nguyen Thi Dinh, to inspect the enforcement of law among the juridical, procurator, public security, and judicial sectors in Quang Ninh Province during the period 20-29 July 1989.

The Council of State unanimously agreed with the observations and suggestions made by the delegation.

The Council of State praised various echelons, sectors, and organs responsible for the maintenance of law in Quang Ninh Province for having joined with the people in making great efforts to maintain public order and safety and to safeguard border security.

The Council of State asked the Council of Ministers, the People's Supreme Court, and the chief procurator of the Supreme People's Organ of Control to direct their subordinate echelons, sectors, and organs to take practical steps to implement various suggestions of the delegation. As an immediate task, they must urgently examine and severely deal with violations of law among various state organs, especially among law maintenance organs, continue to disseminate and promulgate various documents for the implementation of the criminal code and the code of legal proceedings, and motivate the entire people to participate in the movement for crime prevention and suppression, and to gradually restore public order and discipline in all aspects of social life, thus making contributions to implementing satisfactorily the National Assembly's resolution on the task of maintaining public order and security and social safety and to enhancing socialist legislation.

4. The State Council decided to establish a committee for the by-election of six vacant seats of deputies to the Eighth National Assembly, which is composed of Comrades Nguyen Viet Dung, general secretary of the State Council, as president; Pham Van Kiet, vice president and general secretary of the Vietnam Fatherland Front Central Committee, as member; Duong Xuan An, vice chairman of the Vietnam Workers Confederation, as member; Nguyen Thi Than, vice chairwoman of the Vietnam Women's Union, as member; and Ha Quang Du, first secretary of the Ho Chi Minh Communist Youth Union Central Committee, as member.

5. The State Council heard a report by the Council of Ministers on preparations for electing people's councils on 19 November 1989. It discussed and stressed that the Council of Ministers and the administration at all levels should coordinate closely with the Fatherland Front committees at all echelons to ensure truly democratic, legal, thrifty, and safe elections; avoid by all means

forcible imposition on any person; satisfactorily implement voters' rights to stand for election; and recommend candidates and select those fully qualified and of good quality for elections to the organs of state power in localities. The law on the organization of the people's councils and the people's committees and the law on the elections of people's councillors, which were recently approved by the National Assembly, should be disseminated broadly among the people.

6. The state council decided to confer the title of the People's Armed Forces Hero on some units, cadres, and combatants of the Vietnamese volunteer army who have outstandingly fulfilled the noble international duty in Cambodia.

7. The State Council decided to appoint some judges to the Supreme People's Court.

8. On the occasion of the 44th National Day on 2 September, the State Council decided to release or reduce the prison terms for convicts who have been satisfactorily reeducated.

Communique on Ho Chi Minh Testament Issued

*BK3108131589 Hanoi Domestic Service in Vietnamese
1100 GMT 31 Aug 89*

[“Text” of Communique No 151-TBTU issued by the Political Bureau of the Communist Party of Vietnam on “a number of problems regarding President Ho Chi Minh’s testament and the day on which he died”—dated 19 August 1989; read by announcer]

[Text] Venerated and beloved President Ho Chi Minh has bequeathed to our entire party and people an extremely precious testament. The testament was made public immediately after his death and became a great source of inspiration for our entire party, people, and Army in their advance to win victories in the cause of national liberation and reunification and to steadily advance the country to socialism. However, owing to the historical circumstances at the time, some facts were not publicized. On the occasion of the 20th anniversary of Uncle Ho’s death, and in preparation for the celebration of his centennial, the Political Bureau of the sixth party Central Committee deems it appropriate to inform the entire party and people of a number of issues related to his testament and the date of his death.

1. Concerning the original documents of President Ho Chi Minh’s testament: In 1965, Uncle Ho wrote a testament which comprised three pages typed by himself and which was dated 15 May 1965 at the bottom of the text. This was the complete testament bearing Uncle Ho’s signature, with the signature of Comrade Le Duan, then first secretary of the party Central Committee affixed next to it. In 1968, Uncle Ho added some paragraphs comprising six pages in his own handwriting. In these paragraphs, Uncle Ho rewrote the introduction and the portion on personal affairs already included in the 1965 text and added some new paragraphs. These

were portions dealing with tasks to be done after our people's anti-U.S. war of resistance for national salvation won complete victory, such as revamping the party, caring for the living conditions of the people of all strata, giving 1-year agricultural tax exemption to agricultural cooperatives, rebuilding cities and villages, restoring and developing economy and culture, consolidating the national defense, and preparing for national reunification. The paragraph on revamping the party and caring for war invalids was written and then crossed over by Uncle Ho. The paragraph on national reconstruction, economic and cultural development, and preparing for national reunification was marked by a line drawn lengthwise outside the left margin. On 10 May 1969, Uncle Ho rewrote the whole introductory paragraph of the testament comprising a page in longhand. In 1966 and 1967, Uncle Ho did not write any particular text for those years.

2. Concerning the testament officially publicized in September 1969 after President Ho Chi Minh's death: The extraordinary plenum of the third party Central Committee held on the afternoon of 2 September 1969 entrusted the Political Bureau with the responsibility for publicizing President Ho Chi Minh's testament. The officially published testament was mainly based on the text he wrote in 1965, with some paragraphs supplemented or replaced by the corresponding paragraphs he wrote in 1968 and 1969.

Specifically, the structure of the testament that was officially publicized was as follows:

The introductory paragraph: The complete original text of the introduction Uncle Ho wrote in 1969 was used in substitution for the one he wrote in 1965. His autograph of this paragraph was photocopied and publicized in full in 1969.

The middle portion: The original text of the testament Uncle Ho wrote in 1965 was used from the paragraph dealing with the party to the end of the paragraph on the world communist movement.

The portion on personal affairs: In 1965 the uncle gave his instructions on his funeral and wrote of his cremation. He instructed that part of his ashes be set aside for the south. In 1968, he rewrote this portion, instructing that his ashes be contained in three earthen pots for the north, central, and south, one for each region. In addition, he also wrote an additional portion, talking about his own life as follows:

"Throughout my life, I have devoted all my heart and effort to serving the fatherland, the revolution, and the people. Now as I am leaving this world, I have no regrets, except for the fact that I will not be able to be of longer and better service."

The previously published testament contains some of his original writings on his own life written in 1968 except for the part dealing with cremation.

The last part: From the words "Finally, I leave behind my boundless love" until the end, was the original of his writing in 1965. As for this part, in 1968 and 1969, the uncle did not make any corrections nor did he add anything whatsoever.

In the previously published testament, every single word came from the Uncle's original writings, with the single exception of a correction in one sentence. In his 1965 version of the testament, he wrote: "The anti-U.S. war for national salvation may last for a few years." But the officially announced version was revised to read: "The anti-U.S. resistance is likely to drag on."

3. The Political Bureau of the sixth party Central Committee affirmed that the previously published testament is faithful to the original of President Ho Chi Minh. The selection of the testament written by the uncle in 1965 for official announcement is correct, for this is the only version completely written and signed by the uncle and countersigned by Comrade Le Duan, the first secretary of the party Central Committee at that time, as a witness.

Using the introductory paragraph written by the uncle in 1969 to replace the one written by him in 1965 is quite reasonable, because he passed away in 1969 and because the contents of the 1969 copy were also more complete.

In the portion on personal affairs, the attempt to supplement the part written by the uncle in 1965 with that written by him in 1969 is very necessary, for this reflects the uncle's beautiful and shining life of personal devotion to the people and the country.

The reason for the previous failure to announce the portion written by the uncle on his request for cremation was that to suit the people's aspirations and sentiments, the Political Bureau of the third party Central Committee found it necessary to preserve the uncle's remains for a long time so that compatriots nationwide, particularly the southern compatriots and international friends might later have a chance to visit the uncle, thus reflecting our profound sentiments toward the uncle. It is because of this that we asked the uncle for permission to revise this point in a way at variance with what he had instructed.

That a number of paragraphs Uncle Ho added in 1968, concerning the tasks to be done after the anti-U.S. resistance for national salvation had achieved total victory, have not yet been made public, is due to the fact that in 1969, when Uncle Ho passed away, the anti-U.S. war of resistance for national salvation was still difficult and fierce and we had not yet won final victory. Therefore, it was inappropriate then to make public the abovementioned paragraphs. Additionally, there were some sentences that Uncle Ho wrote and then crossed out later. It seems that he was weighing his words carefully, considering his writing as not definitely finished, still not quite certain what his intention was. That is why after his death it was not possible to include these paragraphs in the testament officially made public at that time.

At the time of Uncle Ho's death, the war of resistance was proceeding in a very difficult and fierce manner. For that reason, the Political Bureau decided to change some words in the following sentence written by him as: "The anti-U.S. war of resistance may drag on for a few more years;" to "the anti-U.S. resistance may drag on."

Concerning giving 1-year agricultural tax exemptions to agricultural cooperatives, this was not realized due to the lack of proper conditions in the past. Now, although the socioeconomic situation in our country is still marked by many difficulties, the Political Bureau of the sixth party Central Committee thinks that a plan should be worked out to realize this wish of Uncle Ho. The Political Bureau entrusts the Council of Ministers with the task of submitting a report to the National Assembly on carrying out this task.

The Political Bureau of the third party Central Committee had planned to make public at an appropriate time those points from Uncle Ho's various handwritten texts that have not been published. Now, on the occasion of the preparations for the celebration of President Ho Chi Minh's 100th birth anniversary, the Political Bureau of the sixth party Central Committee has decided to publish in full the various handwritten texts of President Ho Chi Minh's testament.

4. Concerning the date of President Ho Chi Minh's death: President Ho Chi Minh passed away at 0947 on 2 September 1969, our National Day. To prevent the date of Uncle Ho's death from coinciding with the day of great national rejoicing, the Political Bureau of the third party Central Committee decided to announce publicly that President Ho Chi Minh passed away at 0947 on 3 September 1969. The Political Bureau of the sixth party Central Committee thinks that it is now necessary to make public the correct date of President Ho Chi Minh's death.

On this occasion, the Political Bureau requests that our party organizations, cadres, party members, and people, basing themselves on Uncle Ho's testament and our sacred pledge made to him by Comrade Le Duan, first secretary of the third party Central Committee on behalf of the entire party, people, and Army, review what we are doing and strive to successfully implement the resolution of the sixth party Congress and the immediate duties and tasks—that is, to satisfactorily implement Uncle Ho's recommendations—so as to fulfill his wishes and to prove ourselves worthy of his memory.

Great President Ho Chi Minh will live forever in our cause. Let us live, fight, work, and study in accordance with the example set by Great Uncle Ho.

Signed: General Secretary Nguyen Van Linh, for the Political Bureau

Nguyen Quyet Addresses VPA Unit Meeting

BK3108082389 Hanoi Domestic Service in Vietnamese
2330 GMT 28 Aug 89

[Report on a speech by Senior Lieutenant General Nguyen Quyet, Central Committee member and Council of Ministers vice chairman, at a meeting to mark the 40th anniversary of the Tien Phong Division, dated 28 August—place not given]

[Summary] "On the morning of 28 August, a solemn ceremony was held by the Tien Phong Division to mark the 40th founding anniversary of the 308th Division [presumably the division's original number], one of our Army's first regular divisions.

"Attending the ceremony were Senior Lieutenant General Nguyen Quyet, secretary of the party Central Committee, vice chairman of the Council of Ministers, and director of the General Political Department; Senior Lieutenant General Dang Vu Hiep and Lieutenant General Hong Cu, deputy director of the General Political Department; Lieutenant Nguyen The Bon, deputy chief of the Vietnamese People's Army [VPA] General Staff; Comrade Hoang Quoc, former secretary general of the Vietnamese Conference of Trade Unions [VCTU]; and Comrade Song Hao, first former political commissioner of the Tien Phong Division; and Comrade Ha Quang Du, first secretary of the Ho Chi Minh Communist Youth Union Central Committee."

Also present were representatives from various Defense Ministry organs, military regions, army corps, military services, institutes, schools, and localities.

"The special guest at this ceremony was General Vo Nguyen Giap, member of the party Central Committee, vice chairman of the Council of Ministers, and former commander in chief of the armed forces who delivered the order of the day at the ceremony marking the founding of Group 308 on 28 August 1949."

Colonel Tran Hanh, commander of the Tien Phong Division, on behalf of cadres and combatants of the division, addressed the ceremony by highlighting the process of struggle, and the development of the division, during the past 40 years.

"Next, on behalf of the Council of Ministers, the Military Commission of the party Central Committee, and the Ministry of National Defense, Senior Lieutenant General Nguyen Quyet delivered a speech welcoming the achievements recorded by the Tien Phong Division during its 40 years of building and growing. He expressed the armed forces' profound gratitude to the party, state, people, and sectors and mass organizations at the central level and in various localities, as well as to the Viet Fatherland Front, for patronizing and taking care of all Army units in general and the 308th Division in particular, and creating favorable conditions for them to fulfill all assignments." Comrade Nguyen Quyet continued:

[Begin Nguyen Quyet recording] "In light of the common victory of the entire country, over the past 10 years, the Tien Phong Division, in its capacity as a mobile regular division and the first division of the VPA, has been entrusted with many important tasks by the party, state, and Army. The division has taken part in many campaigns of great historic significance. History will enshrine forever its military exploits in the two wars of resistance against the French and the Americans.

"Today, in the struggle to build and defend the socialist fatherland, cadres and combatants of the division have again been compelled to overcome numerous difficulties and hardships in an effort to build their unit into an increasingly standardized and modern, mechanized infantry division so that it can fulfill all assignments, thus deserving the heroic title of the people's armed forces.

"Faced with the complex situation at present, together with our entire people and armed forces, we must scrupulously implement the sixth party congress resolutions and other resolutions of the party Central Committee and Political Bureau. Along with developing ourselves and undergoing training to constantly improve our combat readiness capacity and fighting strength, we must always heighten revolutionary vigilance, ensure a firm political awareness, uphold and instill in ourselves the stand of the working class, and energize and harden our fighting will to readily defend our country against all enemies both from within and without." [end recording]

Great enthusiasm was noted when General Vo Nguyen Giap was invited to address the cadres and combatants of the division.

"After appraising the glorious victories scored by the Tien Phong Division over the past 40 years, General Vo Nguyen Giap urged its cadres and combatants to constantly heighten revolutionary vigilance and harden their fighting will to firmly defend their fatherland."

Youth Union Prepares for Returning Troops

BK3008084589 Hanoi Domestic Service in Vietnamese 1000 GMT 29 Aug 89

[From the "Daily Press Review for 29 August"]

[Text] The paper TIEN PHONG reported that various echelons of the Ho Chi Minh Communist Youth Union [HCMCYU] are making preparations to welcome the Vietnamese army volunteers who will return home from Cambodian in September. The union has launched an extensive propaganda and educational program to make youths and teenagers understand the meaning of troop withdrawal and the army rear service policy.

Various HCMCYU grass-roots units have assigned their chapters and members with the task of positively assisting families of the demobilized military personnel by helping them to resettle, providing them with conditions to participate in social activities, and finding jobs for them at the union's production establishments, while

organizing brotherhood activities between units of the volunteer army and treatment and convalescent centers in localities for wounded soldiers.

News Conference Held on Draft Trade Union Bill

BK2808080589 Hanoi VNA in English 0551 GMT 28 Aug 89

[Text] Hanoi VNA August 28—A press conference on the publication of a draft of the trade unions bill for widespread public discussions was jointly held here on August 26 by the Office of the National Assembly and the State Council and the Confederation of Vietnamese Workers.

Addressing the audience, Duong Xuan An, deputy secretary general of the Confederation of Vietnamese Workers outlined the main contents of the bill, to be officially named: the Trade Unions Law-1989, which is aimed at promoting the working people's right to socialist democracy through the role, position, functions and activities of the trade unions.

The bill will, among other things, bring into full play the trade unions' role as an associate and a mainstay of the state and at the same time as a guardian of the working people's legitimate and genuine rights and interests. It will also ensure necessary conditions for the trade unions' operation.

The publication of the bill before adoption at the forthcoming National Assembly session (December 1989) is aimed at collecting constructive ideas contributed by broad sections of the working people, of all branches of activity and all mass organizations throughout the country so that after becoming law, it will fully and correctly reflect the people's will and aspiration.

August Revolution Anniversary Commemorated

BK2908162989 Hanoi QUAN DOI NHAN DAN in Vietnamese 19 Aug 89 pp 1, 4

[Editorial: "Strongly Advance on the Path Opened by the August Revolution"]

[Text] It was the great August Revolution that led our people from the long night of slavery into the light of freedom. Under the leadership of the party and esteemed Uncle Ho, our entire people rose up to overthrow the yoke of colonial and feudal rule and establish the first worker-peasant administration in Southeast Asia, thus paving the way for the country to achieve independence and unbound freedom and advance to socialism.

During the past 44 years, upholding the banner of the great August Revolution, various generations in Vietnam have succeeded one another to struggle constantly for those lofty aims. The achievements which we have now are priceless and are the quintessence of the blood, sweat, and efforts of millions of Vietnamese who, generations after generations, have kept on fighting for the independence, freedom, and happiness of the fatherland.

Although our life at present is still rife with great difficulties and privations, although we have fulfilled only part of our wishes, and although the path of our advance is plagued with obstacles, objective difficulties, and no few errors and losses, no one has the right to deny the revolutionary gains that have been accomplished during the past half-century or so, nor to raise doubt over the clear, truthful objectives of our people that are independence, freedom, and socialism.

Taking advantage of, and exaggerating, our temporary errors and shortcomings in the process of socialist construction, imperialism and other international, reactionary forces have initiated an anticommunist campaign using the ugliest tricks. Being incapable of using military strength to attack and eliminate the socialist system, they have resorted to all available methods of propaganda to distort and raise doubts about the inevitable transition from capitalism to socialism, as well as to misrepresent the fine nature and superiority of socialism and undermine the achievements of socialism from within.

There are opportunists who have sought to lend them a helping hand by striving to embellish capitalism in an attempt to create a countercurrent, replacing socialist democracy with bourgeois democracy, socialist economy with capitalist economy, and ethical socialist lifestyle with bourgeois lifestyle. Meanwhile, some vacillating people, or people lacking ability or a firm stand, have responded hastily and enthusiastically to their ugly and perfidious propaganda tricks and allegations, considering this antisocialist campaign move a process of renovation, a progress, and even a revolution and a path that we should follow from now on. The arguments and maneuvers of these persons are aimed at seeking to break the boundary between the proletariat and the bourgeoisie, between the exploiter and the exploited, and between the aggressive imperialists and colonialists and the oppressed nations, thereby rubbing out the struggle to determine who will triumph over whom between socialism and capitalism.

Our country is now on the path of renovation. Renovation, an inevitable revolutionary action, is aimed at consolidating and developing the revolutionary gains acquired during the past half-century, while firmly consolidating national independence and advancing steadily on the path of socialism. Renovation means creatively applying and constantly developing Marxism - Leninism; bringing into play the party's leading role; and further fostering socialist democracy and strengthening the dictatorship of the proletariat. Renovation means knowing how to preserve and develop the valuable experiences and traditions of our people, as well as to grasp and acquire the economic, cultural, social, scientific, and technological achievements recorded by mankind in order to bring about an abundant and happy life for our people.

Renovation also means resolutely struggling against all manifestations of conservatism and sluggishness, as well

as against any attempt made in the name of renovation to cause our people and country to deviate from the lofty revolutionary aim of many generations that have sacrificed and struggled for the past several decades.

It is the contingent of cadres and party members which is the nucleus of the process of renovation. Rising up on a par with the new tasks and serving as vanguard troops in the process of renovation, party members cannot cling to the backward viewpoints and concepts; cannot retain the ways of thinking and doing things that are characterized by voluntarism and bureaucratism; and cannot adopt a pragmatic lifestyle that may lead them to seek personal gains and privilege, deviate from the masses, and pay no attention to the interests of the people. More than ever, cadres and party members must always take the lead in national construction and defense; be endowed with never-failing ability and superior knowledge. They must also display a sense creativity, operational skills, and good quality and adopt a decent life-style.

Despite the existence of numerous and great difficulties, we must affirm what we have achieved. We must also affirm that our path of advance opened by the August Revolution is absolutely a correct path. Upholding the banner of independence and socialism and with a dauntless revolutionary will and an ever-soaring creative and renovative spirit, our entire people and Army will certainly be able to advance triumphantly and achieve the final goal of the three lofty objectives: independence, freedom, and happiness.

NHAN DAN Article on Political Renovation

Part 1

BK2208123589 Hanoi NHAN DAN in Vietnamese
7 Jul 89 p 3

["Part 1" of unattributed article from the "Seeking To Understand the Party Central Committee's Sixth Plenum Resolution" column: "Renovation of Organization and Operational Methods of the Political System"]

[Text] Since the entire country's embarkation on the socialist revolution, the political system in our country has generally reflected the system of "leadership by the party, control by the people, and management by the state." Although the contents of this system have been partly substantiated by various party resolutions and state decrees, this system has, in fact, not yet been thoroughly understood and satisfactorily implemented.

The cause of socialist construction and the need to carry out a comprehensive renovation in our country, especially in the economic field, requires us to basically renovate the organization and operational methods of the political system with the aim of creating a rational, dynamic, and harmonious system capable of ensuring party leadership while improving the efficiency of the state's management, broadening democracy, and developing the positive role and creativity of the entire people. Failing to broaden democracy and renovate

leadership and management will make renovation in our country impossible. This task, though basic, is urgent and will be difficult and complex. It should be carried out steadily and in a step-by-step manner.

Following the sixth party congress and fully appreciating the lesson of "regarding the people as the root," our party and state have mapped out many positive policies and measures aimed at developing the working people's right to mastery and broadening internal democracy.

In particular, the party and state have come up with many new economic policies and decisions in accordance with the law and in conformity with the people's aspirations. The democratic rights of various economic organizations and components and of the laboring people in production and business have begun to develop, thus making economic activities more vivid and hectic.

In the activities of the party (including the activities of the party Central Committee, the Political Bureau, and the Secretariat), the National Assembly, the Council of State, the Council of Ministers, the people's councils and committees at all levels, and various mass organizations, an atmosphere of open-mindedness has emerged in which public and frank discussions have been conducted.

Ideological, scientific, press, cultural, and artistic activities have shown new developments in the forms and methods of disseminating information, in the democratic discussions of different viewpoints, in making criticisms and self-criticisms, and in the struggle to criticize negative phenomena, thus making positive contributions to the cause of renovation.

Many party organizations, state organs, and mass organizations have shown their respect for the people and have stayed closer to them. A number of government cadres and personnel have paid more attention to various forms of dialogue when it comes to meeting the people. They have gone to the grassroots in order to understand the feelings and aspirations of the people and to answer and settle those questions raised by the masses. The laboring people in both urban and rural areas have become more aware of and have had higher demands for democratic liberties.

A decisive condition for carrying out democratization is to renovate organizational and cadre work and the operational methods of the party, state, and various mass organizations. Fully aware of this spirit, over the past 2 years our party and state have made certain efforts in this regard. They have gradually improved the organization and the operational methods of various organizations in the political system and have partially reduced the phenomena of party organizations taking upon themselves the work of the state and the economic organizations. They have rectified a number of organizational problems, made their working mechanisms more compact, cut down on intermediary links and on duplicating organizations, and reduced indirect administrative staffing. As of December 1988, 16 out of 32 party and

mass organs belonging to the central level and 34 out of 69 ministries, committees, and general departments belonging to the Council of Ministers have been strengthened and perfected, while 11 ministries, committees, and general departments have been cut. As for those organs being strengthened and perfected, a total of 199 offices and corresponding departments have been eliminated.

Various localities and establishments have also gone ahead with strengthening and perfecting their organizations and have been able to reduce numerous work links. Previously, each province had between 34 and 40 offices with hundreds of subordinate sections. Now there are only between 22 and 25 offices left, and there are very few subordinate sections. Each district now has only 15 offices or sections left, instead of 25 as was previously the case.

These initial changes are very significant and deserve our appreciation. The party Central Committee's Sixth Plenum ascertained that these changes are part of the initial important results scored in the past 2 years. Nevertheless, these results are still very limited, unstable, and insignificant compared with the requirements of the implementation of democracy in our country. Our party members and cadres, including leading cadres, do not possess sufficient and uniform knowledge of the functions, duties, and organization of the mechanism as well as of the operating procedures of the political system. No prompt measures have been taken to consolidate and strengthen the political system and to guarantee conditions for the people to contribute solutions to the problems now facing our country. Bureaucratism, demagoguery, and paternalism still exert a heavy impact on the society. The people's legitimate right of mastership has been violated, sometimes very seriously. Many cases of repression and reprisals against honest people have been recorded. Besides, there is lax enforcement of socialist law and proletarian dictatorship; and no due action has been taken against law breakers, corrupt and deviant elements, and all those who violate the people's rights or act at variance with the party's and the state's policies and lines.

Now that the socialist revolution is being carried out in the entire nation, the party must concentrate efforts on providing guidance over economic building. However, the organization of the mechanism and the operating procedures of the party and of the overall political system basically are still patterned after the old methods. The most serious weakness rests with the lack of a correct definition of functions and duties and the fact that the mechanism is very heavy and cumbersome and comprises many intermediary links and that the various organizations of the system still do overlapping work and render ineffective service.

Many party organizations still perform tasks that should be carried out by state agencies and mass societies. Likewise, various higher echelons continue to assume projects that fall within the lower echelons' functions

and capacities. The activities of the National Assembly and the people's councils at all levels have not truly reflected the power of state organs. Many administrative bodies at all levels still lack high managerial skills and continue to seek help from party committee echelons rather than try to be on their own when it comes to discharging their duties and functions. The operations of the various organs of control, judiciary organizations, and the court have not been renovated to keep pace with changes on the economic front. At the same time, there have emerged signs of right-wing deviations and a lack of due efforts to positively contribute to maintaining state regulations and protecting the people's rights. Mass societies are still slow to renovate their organizational forms and operating procedures. Their activities still bear the impact of red tape and bureaucratism and provide low results.

The qualifications and capabilities of cadres in charge do not meet the requirements, especially in the areas of leadership, economic management, legal expertise, and managerial and supervisory skills. In many cases, cadre assignment has not been carried out in a scientific and rational manner. Corruption and officialism still bear quite a heavy impact on the society.

This situation has seriously hampered the implementation of the party's resolutions and the state's policies and lines.

As pointed out in the party Central Committee's Sixth Plenum resolution, in the coming years, greater efforts will be needed to vigorously accelerate the movement for building and developing socialist democracy and renovating the organization and operating procedures of the political system, considering that this move is one of the key tasks and a decisive factor guaranteeing the successful implementation of the renovation process and the overall socialist revolution in our country.

Renovating the organization and operating procedures of the political system does not mean lowering or altering the nature of this system. Rather, it means enhancing the party's leadership, strengthening the efficiency of the state's management mechanism, and developing the people's right of mastership, or, to put it another way, strengthening the power and efficiency of the proletarian dictatorship and creating conditions for the various organizations of the political system to operate more dynamically and more efficiently.

Because the renovation of organization and operational methods of the political system covers many closely interrelated areas, it is most important to concentrate on solving the following major issues:

1. Properly realize the current nature and contents of the question of democracy in our country.

Socialist democracy is a political system and a form of the socialist state. It is also the nature and spirit of the new society. In our country's current situation, not only is democracy an objective but it is also an important driving force for the cause of renovation. Renovating the

organization and activities of the political system is aimed at building and developing socialist democracy in the fullest and most profound way. It is our party's policy to broaden democracy in all fields of social life and to create the necessary conditions for doing so correctly.

In trying to guarantee the citizens' rights and duties in the political field, we should first of all guarantee democracy in social activities as well as in elections, in standing for an election, in the selection of cadres, and in the issue and implementation of decisions by party and state organs and by social organizations.

Democracy in the economic field should be reflected through the broadening of the right to autonomy of production, business, and service establishments; the development of the right to mastery of the laboring people; and the correct implementation of the multisectoral economic policy to create conditions for various economic components to develop freely in accordance with the law and within the orbit of socialism.

Democracy in the cultural and artistic fields should be clearly reflected through the policy and the mechanism for developing the intelligence and talents of the people and the contingent of writers and artists with regard to the cause of building a socialist culture which, heavily accentuated with national tradition, is capable of gradually meeting the people's cultural requirements, guaranteeing freedom of creation and criticism, and improving the artists' sense of responsibility as citizens.

In the ideological field, democracy should be reflected through the exercise of the people's right to acquire information; the diversification of communication means; the imposition of two-way communications; the exercise of the right to speak; and the promotion of constructive, frank debates.

In the process of broadening democracy, we should struggle against those acts violating the people's right to mastery while preventing and overcoming the tendency to exercise formalistic, extremist, and bourgeois democracy. We should be cautious while struggling against the phenomena of abusing the broadening of democracy to slander, distort, and talk ill of the party; criticize party leadership and state management; and incite rebellion against our regime. We should listen to the opinion of the people at large. But there are many groups in the population of people with different knowledge and interests, we should distinguish correct views from erroneous ones, trying to glean out correct views for acquisition.

In the final analysis, the building of a socialist democracy is aimed at developing the human factor, developing to the fullest the voluntariness and the great creativity of the people of all strata in the cause of building a new society. At the same time, it is necessary to gradually create conditions for ensuring that the people have enough material and spiritual conditions with which to achieve comprehensive growth and undergo training to become the new socialist men.

2. Build and gradually perfect the system of state policies and laws and enhance socialist legislation.

The cause of renovation and the need for democratization of all aspects of social life require us to urgently renovate the system of state policies and laws, particularly those dealing with the economy, and enhance socialist legislation. As an immediate task, we should reexamine those laws now in force (including the Constitution) in order to supplement and revise some essential points in accordance with the spirit of renovation. It is necessary to promulgate a number of new laws in order to guarantee the exercise of the rights and duties as citizens. This is done to suit our country's current socioeconomic situation. All citizens, whatever their positions, have the duty to live and work in accordance with the law. We should actively propagate and disseminate laws among the people and provide leadership for effective enforcement of policies and laws. It is necessary to duly and promptly punish those acts in violation of the law and to consolidate social discipline.

3. Clearly define the functions and duties and, on that basis, renovate the organization and operational methods of the party, the state, and the mass organization.

a. Party leadership is the factor that decides all of the success of our country's renovation process. Therefore, the party must renovate the content and method of its own leadership.

For the party, to exert leadership means to formulate the revolution's programs, lines, strategies, and basic objectives; to work out major guidelines, positions, and policies in the fields of domestic and external affairs; and to set the direction for the activities of the state and all of the people.

The party controls the implementation of lines, positions, and policies. Through its control work, the party will review realities, continue supplementing and improving its lines and policies, and promptly amend and correct those positions that are not realistic and those activities that are at variance with party lines and policies.

The party leads the building and implementation of cadre plans, assigns cadres to its organs, and prepares and recommends key, leading cadres for the state and the mass organizations to choose from. The party strictly leads cadre work of the state, but respects the state regulations on, and systems of, cadre recruitment, assignment, and dismissal.

The party exerts leadership by means of persuasion, education, and the exemplary conduct of cadres and party members. The party operates within the framework of the law and strictly abides by the law. We must make it clear that the party is an organ of leadership, not an organ of management. To renovate party leadership is to raise quality and efficiency to meet the requirements of the revolution.

To satisfy these requirements, we must renovate and strengthen the organization of the party apparatuses at all levels, from the center down to the grass roots.

At the center, we must strengthen the Political Bureau and further clarify the functions and work methods of the Political Bureau and the Secretariat.

The supporting apparatus of the party Central Committee (the various departments and offices) should be reorganized to make it more rational, efficient, and compact. The personnel of the various departments must have a high level of competence and be capable of studying and raising issues regarding lines and policies and controlling their implementation. Any departments and components whose functions and duties overlap with another's or with those of the state apparatus must be dissolved.

In the localities, the organization of the party committee apparatus must be compact, light, and compatible with the party's mode of leadership. These committees do not absolutely need to have an apparatus like the one at the central level.

We must revise and amend a number of regulations on party organization and activities, renovate the party's work style, broaden democracy within the party, correctly implement the principle of democratic centralism, see to it that discussions and debates are conducted with equality and frankness, and listen to and respect different views. Once a decision has been made by the collective, it must be scrupulously implemented. Party discipline must be firmly maintained; criticism and self-criticism must be carried out regularly.

Part 2

*BK2508113789 Hanoi NHAN DAN in Vietnamese
8 Jul 89 p 3*

[Part 2 of unattributed article from "Seeking To Understand the Party Central Committee's Sixth Plenum Resolution" column: "Renovation of Organization and Operational Methods of the Political System"]

[Text] B. The socialist state is an organ which is empowered with the concentrated power of the people and which represents the people's will, aspirations, and interests. The state must have true power, must properly exercise its power, and must be able to substantiate and constitutionalize the party's policies and lines and manage all fields of social activity in accordance with the law. In the next 3 years, we will have to try to make it possible for the state to improve its managerial and operational skills greatly and work more dynamically and effectively. To achieve this aim, we must:

—Make basic renovations of the the organization and activities of elected organs, trying to turn the National Assembly and the people's councils at all levels into true organs of people power, and to enable them to work effectively under the party leadership. We must revise

the election system for the National Assembly and people's councils at all levels, ensuring that truly qualified and competent persons are selected to discuss and decide on important issues of the country. We must rectify the organization and the living and working patterns of the National Assembly and its standing committees as well as of other local people's councils.

—Ensure the correct exercise of functions and authority by the administration at all levels. In the economic field, it is necessary to distinguish the economic management function of the state from the ordinary management function of production and business organizations. The state must exercise its economic management function through the enforcement of the law and through a system of policies and regulations. It must come up at an early date with various measures to carry out macro economic management and direct macroeconomic relations and must avoid entanglements in, or resolving matters that belong to, economic units.

We must renovate the organization and the working methods of the Council of Ministers and make it possible for the Council of Ministers to properly exercise its functions and collective authority while developing the responsibility and authority of the chairman of the Council of Ministers, and upholding the responsibility and authority of each member of the Council of Ministers. We must considerably reduce the number of subordinate organs of the Council of Ministers.

We must rearrange various ministries, state committees, and general departments in a rational fashion, ensuring that they are compact and that they can properly exercise their functions as organs which are responsible for studying and issuing stipulations on legal, policy, and planning matters in order to carry out state management over socioeconomic activities, and that they can exercise state inspection and control over socioeconomic activities. We must merge together those ministries with similar scopes and targets of activities, or with close cooperation, to make the management more uniform and synchronized.

We must revise the organizational structure, operational methods, and working system of the people's committees at all levels. We must clearly define the relations between people's committees and people's councils. We must rearrange professional offices in the direction of turning them into ones that perform state functions.

We must clarify and renovate a number of matters concerning functions, duties, and organization of the judicial system—tribunals and organs of control—in order to ensure that the arrest, detention, and trial of people and the execution of court decisions are carried out fairly in accordance with the law.

Actual experience obtained over the years shows that the perfection of the organizational apparatus of various party and state management organs must necessarily stem from managerial requirements and targets, and from the level of development of production forces and the

contingent of cadres. All these must be linked with the rational assignment and arrangement of cadres, trying to avoid the state of simplism and robotism and refrain from rearranging our mechanisms in a formalistic and inexperienced fashion without careful preparations, for this may lead to indiscriminate and disastrous "disassociations" and "mergers."

C. Through extensive organizational and mass motivation work, the mass organizations, which represent the right to mastery of the people of all strata, should give effective assistance to, and serve as a prop for, the party's activities and the state's managerial work.

Party committee echelons must renovate their leadership method with regard to the mass organizations, respect them, and create every favorable condition for each of them to bring into full play their initiative and creativity in their work.

With their functions of motivating and organizing the masses, the mass organizations must renovate their operational methods to suit the new mechanisms and policies of the state, and to reflect more accurately the aspirations, interests, and living conditions of their members. The apparatus of each mass organization must be very compact in its structure, and it should not be staffed with so many cadres as at present. Any form of organization and operation that tends to turn a mass organization into an "administrative organ," alienated from the masses and its members, should be discarded. The mass organizations should make an effort to create more sources of revenue to partly cut the operational funds provided by the state.

We must encourage the organization and activities of social or professional mass associations, and give guidance so that these associations carry out their activities in the right direction.

4. Some issues concerning cadres: Renovation of organization and operational methods of the party, the state, and the mass organizations will achieve practical results only if carried out simultaneously and in a well-coordinated manner with the assignment of cadres and the renovation of cadre training, improvement, assignment, and utilization. Thoroughly imbued with the spirit of the resolutions of the sixth party Congress and the party Central Committee's fifth plenum, we must strive to make important progress in cadres' work within the next 3 years. In the immediate future, we must pay attention to the following questions:

—We must set unified standards of quality, capability, and evaluation of cadres in the renovation process. On this basis, we must select, use, and develop those cadres endowed with a renovative spirit, high quality, knowledge, socioeconomic leadership and managerial skills, experience in practical work, and the ability to unite and rally cadres.

—We must set specific cadre standards for leadership and managerial positions. There should be no quality

and capability standards left in general terms. Quality and capability must be reflected in the results of practical work. No cadre can do everything. We must clearly spell out the difference between the leader, the manager, and the specialist. Leading and managerial cadres may trade positions depending on the confidence placed in them. But specialized and professional cadres must be trained in a systematic fashion and their positions must be stable to ensure that they can be deeply engaged in their special field of activities and achieve high efficiency. Age limits must be set for each position.

- We must strongly push forward the formulation of assignment plans for party and state cadres from the top to the grass-roots level and satisfactorily organize their implementation. We must actively prepare the personnel for the seventh party congress and the party organization congresses at various levels, especially the personnel for key leading positions at all levels, in such a way as to ensure continuity and succession in the party and state leadership. We must combat indulgence, right-wing deviationism, lack of confidence in young cadres, and the reluctance to actively train and prepare new personnel. We must promptly replace those cadres who are no longer suitable for their tasks.

We must consider the training and improvement of cadres endowed with new thinking, knowledge, quality, virtues, and capabilities for practical work as a very important and pressing task. We must pay attention to training cadres for the mountainous regions, especially cadres of the ethnic minorities.

- The assignment, deployment, and promotion of cadres must be done strictly in accordance with the principle of democratic centralism. We must renovate the regulations for cadre recruitment and promotion to ensure the use and selection of really talented cadres with good quality. Observations and assessments by

party organizations and unit leaders must be combined with the masses' views, votes of confidence, elections, or competitive examinations in choosing and promoting cadres.

Roundup of Nationwide Agricultural Activities

BK2708091589 Hanoi Domestic Service in Vietnamese 0500 GMT 26 Aug 89

[Text] According to the Ministry of Agriculture and Food Industry, as of 15 August various localities throughout the country had grown nearly 2 million hectares of 10th-month rice, fulfilling approximately 71 percent of the area plan or equal to 99 percent of the area cultivated during the corresponding period last year.

Specifically, the northern localities have planted more than 1.2 million hectares, the largest area ever, thereby basically fulfilling the area plan. Despite falling paddy prices and slow sales, many provinces, such as Hai Hung, Thai Binh, and Ha Nam Ninh as well as Hanoi, have overfulfilled the area plan owing to the implementation of a correct contract system and the broadening of bidding for fallow land.

During the 10 days between 5 and 15 August, the pace of 10th-month rice planting in southern provinces was sped up, exceeding the rate of cultivation during the corresponding period last year, with the Mekong River Delta provinces planting 1.6 times faster than they did in the preceeding 10-day period.

Meanwhile, the southern localities also harvested nearly 436,000 hectares of summer-fall rice, 50 percent more than the same period last year, with the Mekong River Delta provinces bringing in almost 330,000 hectares. Owing to little rainfall, there was plenty of sunshine for the people to dry their summer-fall paddy, thus increasing the quality of their products. Barring unexpected developments, the amount of summer-fall paddy for sale this year may exceed the 1-million-metric-ton mark.

At present, all localities throughout the country are concentrating on directing the use of supplies and facilities to effectively control harmful insects and diseases.

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